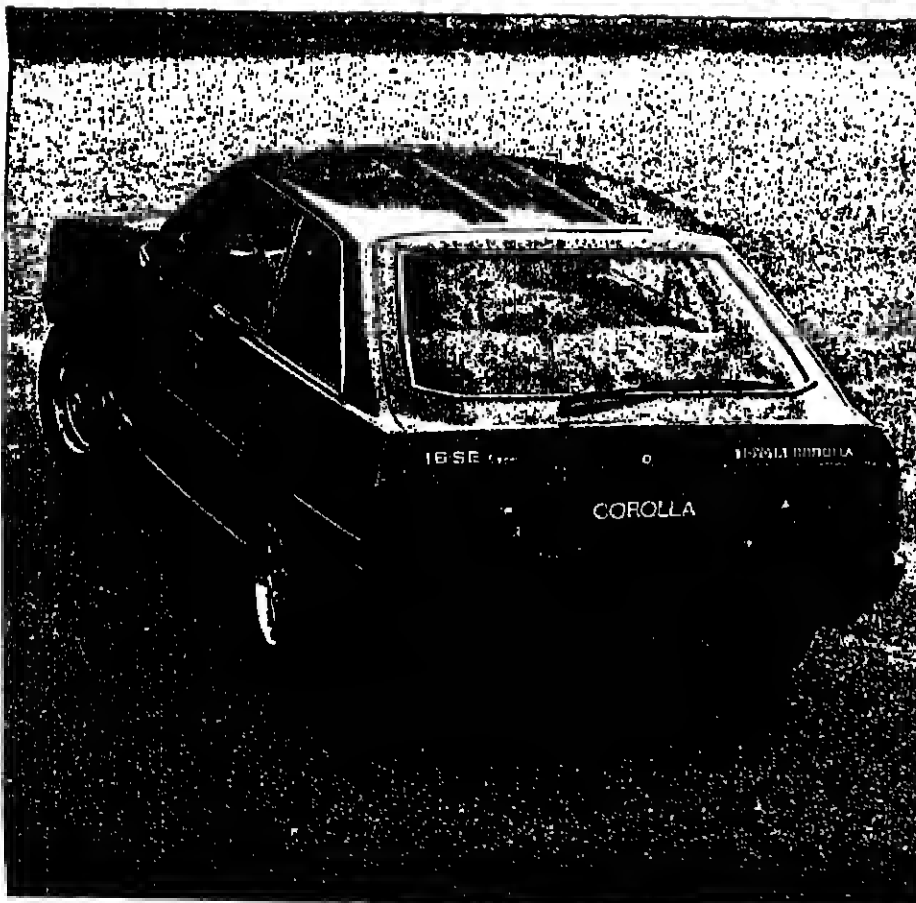


# Corolla.

When the management wants economy.  
And the staff wants style.



There's a new Corolla that's right for your business. Five completely new models featuring 4 body styles and two super-economy engines. You get space with style. Performance with remarkable economy. Superior handling with uncompromising reliability. You get the fleet car you've been looking for. And there's the right and responsible choice to suit your kind of business:

Corolla DX Sedan—manual and automatic  
Corolla DX Station Wagon  
Corolla DX Liftback  
Corolla 2-door Delivery Van.  
All feature Toyota's new 4K series 1300cc engine which delivers remarkable pep and pulling power with brilliant cruising performance.

Also available, for very special staff, the Corolla SE Liftback with 1600cc 2TB engine.  
The Corolla range—the world's most wanted car. No. 1 for business—No. 1 in the world.

**TOYOTA**  
Ahead in the 80's.

Get in to your TOYOTA dealer today.

TOYOTA NEW ZEALAND LIMITED

NEW ZEALAND'S  
NATIONAL WEEKLY OF  
BUSINESS, POLITICS  
AND ECONOMICS

Incorporating Admark  
15 cents

## NATIONAL BUSINESS REVIEW

UNIVERSITY OF JORDAN  
LIBRARY

### Inside

**THE WEEK**  
Store money losses force PSIS to drop off a link in its retailing chain—Page 3.  
Hawaki sets out to give a competitive spirit to TVNZ—Page 5.

**COMMENT**  
Editorial Without word of a lie, God's view—Page 6.  
John Peel maintains that energy forecasting efforts are being coloured by rose-tinted spectacles—Page 7.  
Letters to the editor—Page 8.

**POLITICS**  
By-elections provide a little something for nearly everyone—Page 9.

**TRANSPORT**  
Along slow convoy of trucks is posed to protest against road charges—Page 10.

**ECONOMY**  
Public spending control equals more than abacus population—Page 11.

**O'BRIEN ON BUSINESS**  
People who make profit are experts and loss-makers are experts—Page 12.  
Holding annual accounts—Page 13.  
Bank Governor act—Page 14.

**STOCK EXCHANGE**  
A review of the weekly share market—Page 15.

**OVERSEAS TRADE**  
Single-makers are hoping that exports will go through the roof—Page 16.

**MANUFACTURING**  
Firms win foreign naval defence contract—Page 17.

**OFFICE EQUIPMENT**  
Voluntary row loses eye-opening desks—Page 18.

**MEDIA**  
Government freebie advertisements clutter up television time—Page 19.

**LAW**  
The Herald Maoris take three Government departments in a last case on resident site licence—Page 20.

**BOOKS**  
Economic thinker Gelbraith criticises the professional value of complexity—Page 21.

**PROFILE**  
David Graham maintains that tough times has brought a greater drive for economic freedom—Pages 22 and 23.

**GOVERNMENT ADMINISTRATION**  
Picking "mature" public servants flex whatever muscle they have against their employer—Pages 24 and 25.

**INDUSTRIAL RELATIONS**  
In New Zealand pilots collide on course to promotions—Page 26.

**MOTORING**  
Movement in the Japanese yen here balance in car sales market—Page 28.

**SPECIAL FEATURE**  
The Commission on Inter-ethnic Relations supports the view of a world starting overhanging body of evidence—Pages 32, 33, 34 and 35.

## Booksellers baulk at Govt bid to tax news and knowledge

BOOK and magazine publishers and distributors are alarmed at the possibility of a sales tax being imposed on their products in this year's Budget.

They fear that selective application of the tax could be used to manipulate print media.

A major book distributor has been told by Customs Minister Hugh Templeton that while records were taxed, imported magazines like *Penthouse* went unscathed. Prime Minister Rob Muldoon said at the time he had no intention of lifting the tax on records but Hugh Templeton would be asked to check on whether a similar tax could be imposed on some magazines.

Magazine and book publishers were convinced they were protected by a UNESCO convention. But one major distributor wrote to Templeton asking about the possibility of a tax.

the free-flow of books and information in any way.

The subject first arose earlier this year during a public relations and advertising campaign by record distributors against a 40 per cent sales tax on records.

This campaign emphasised that while records were taxed, imported magazines like *Penthouse* went unscathed. Prime Minister Rob Muldoon said at the time he had no intention of lifting the tax on records but Hugh Templeton would be asked to check on whether a similar tax could be imposed on some magazines.

Magazine and book publishers were convinced they were protected by a UNESCO convention. But one major distributor wrote to Templeton asking about the possibility of a tax.



Hugh Templeton... wants to widen tax net



Record campaign shows up exempt areas

Templeton replied: "Books and magazines are imported into New Zealand free of duty under the UNESCO agreement, to which New Zealand is a signatory. However, there is no restriction in terms of this agreement from imposing an internal tax such as sales tax on these goods."

"With the Government's intention of placing greater emphasis on indirect taxation, the community as a whole should understand that a wider range of goods will

become subject to sales tax and it would be difficult to treat particular sectors of the community as having a right to immunity from tax."

"Although I am unable to give you any indication of future sales tax changes, you may be assured that your representations will be considered when Government next examines its fiscal policies involving sales tax."

If the tax was applied on only imported publications it would, in effect, constitute an

import duty whatever it was called. A tax applied on magazines, termed "unconditional", could open the way to Government censorship by taxation or at best paternalism.

One of the reasons for the international acceptance of the UNESCO convention against duty on print media is the avoidance of discrimination against books and magazines by governments, and to encourage a free-flow of literature from country to country.

Academic press theorists see a potential danger in a sales tax being applied to a class of publications since a narrow classification might be used by government to discriminate against individual newspaper that have aroused government's ire.

In any case, tax on the print medium, be it books, magazines or newspapers, will make this largely privately-owned medium less competitive with Government-owned electronic media.

It remains to be seen if the Government intends applying a tax to "girlie" magazines but not to its own Government-owned *Listener*.

## Cooks takeover threat

by Warren Berryman

WHEN Cooks New Zealand Wine Co shareprices jumped from \$150 to \$168 in recent weeks it brought more concern than elation to Cooks board.

Some directors fear the price movements indicate a move by Penfold's Frank Yukich to achieve his long-standing ambition to gain control of Cooks.



Frank Yukich... no comment

It wouldn't be the first time Cooks has been under threat of takeover. When Cooks' previous half-owner Marae wanted to sell its shares, Rothmans tried to enter the breach. Rothmans also con-

trols Corbin's wines and the Examiner of Commercial Practices stepped in to stop Rothmans acquiring the shares.

Marae Inter sold its 50 per cent share in Cooks—25 per cent to Transvision and 25 per cent to Marae shareholders. At that time Yukich was in there hiding for the shares. But the Examiner of Commercial Practices thwarted his bid.

Two R A Jarlen and Co nominee companies recently bought about 20,000 shares each in Cooks. What makes Cooks' directors think Yukich could be behind these nominee's is that he used Jarlen in the past bid.

Yukich is making no comment about the matter. It is understood he has had talks with Transvision, who's shareholding in Cooks would now be between 28 and 30 per cent.

Apart from the big blocks disposed of when Marae sold its 50 per cent of Cooks, the shareholding is scattered. So one shareholder could probably control Cooks with only 25 per cent of its shares.

If Yukich is buying Cooks shares, the firm's directors will probably fight the move. Yukich's Penfold Wines is short of grapes. And this could be the key to the attractiveness of Cooks.

## Court charges lawyer

AUCKLAND lawyer John Murfit has been suspended from practising by the Law Society.

The interim suspension has effect until the Law Society's disciplinary committee meets in mid-August. Murfit also appeared in the Auckland District Court last week charged with uttering a threat to kill. He was released on \$2000 bail and asked for his passport.

Both the court case and the Law Society suspension involve "around" an alleged forgery of a mortgage document and Murfit's trust account.

Murfit formerly came to public attention as lawyer for Marty Johnston, known as "Mr. Asia". But that association has no bearing on the present charges against Murfit.

**Employers:**  
**30 JUNE 1980**  
is the last day for payment of  
Accident Compensation Levy  
on earnings of employees.

Levy statement forms have been issued to employers.

- A levy worksheet (ACC 508) is available to assist you in the calculation of levy payable.
- You may pay the levy at any Inland Revenue Office.
- If you have not received your levy form or you are not sure what to pay, ask at your local Inland Revenue Office.
- The rates that apply from 1 April 1979 are in the booklet "Levies on Employers"—available on request.

Help us  
to help  
you

**inland  
revenue**



## The week

## Crash causes uncertain

THE final and as yet secret report on the Air New Zealand DC10 crash in Antarctica did not give a single definite cause although several contributing factors were identified. The report is to be published.

TOUGH Government measures to clamp down on the ill-gotten gains of white-collar criminals are being considered. Two possibilities are being considered by Justice Minister Jim McLay: one, to use the sanctions of criminal bankruptcy and two, to extend certain provisions of the Misuse of Drugs Amendment 1978.

LABOUR won Onehunga and Northern Maori by-elections. The new MP for Onehunga is Fred Gerbie, the Auckland industrial councillor, and the new MP for Northern Maori is Dr Bill Gregory.

THE Government is planning to admit 140 Laotian refugees from camps in North-east Thailand as part of the annual 1800 refugee quota.

A \$650 million 200,000 tonne smelter and sheetmetal plant in Otara is being planned by the Fletcher-CSR-Alumina consortium. It will involve 50 per cent New Zealand shareholding and on-site employment for 950 people. The consortium wants a base electricity price of 1.8 which could be reduced to 1.4kwh with rebates.

WORKERS redundant after the collapse of Fibremakers NZ Ltd's factory in Shannon, will get Government assistance in finding work. The factory is another victim of the Government's implementation of the Industrial Development Commission's textiles plan.

A PROPOSAL on shop trading hours will be put in front of Cabinet by the Labour Minister Jim Bolger in the next few weeks.

THE Government will look into the need for updated radar equipment at Wellington Airport but a longer runway is not rated as a high priority by Transport Minister Colin McClean.

THE Government's flexible exchange rate policy (allowing the value of the dollar to float in relation to currencies of its main trade partners) is estimated to have increased the

country's prices by about 1.75 per cent. The dollar has been devalued by 4.7 per cent for the year to March 31.

SIR Ronald Scott is chairing an advisory committee to seek alternative events for New Zealand athletes not going to the Moscow Olympics.

MANA Motuhake's decision either to contest marginal European seats or urge Maori voters on the general roll to vote for candidates who accept its policies, brought about a call from the Labour Party for the two parties to get together to talk about policy differences.

PUBLIC companies were asked to take a shareholding in Petrocorp's 51 per cent ownership of the Taranaki methanol plant. How much they, or the general public will get has yet to be decided.

AN export permit was refused by the Australian Government for nearly 200 breeding sheep destined for the Soviet Union, on the grounds that the deal was not in keeping with the national interest of the country.

A MEETING of the Combined State Unions and the unions affiliated to the FOL has been organised for July 2 in Christchurch to discuss the campaign for an immediate cost-of-living increase, the repeal of the Remuneration Act, and the introduction of new wage-fixing procedures.

THE Court of Appeal invoked the 'newspaper rule' in upholding the Broadcasting Corporation's refusal to reveal its source of information for statements made in the television programme *Fair Go* questioning the quality of roofing tiles manufactured by AHI Ltd.

LIGHTHOUSE - KEEPERS refused to issue weather reports unless the Government conducts an inquiry into the planned automation of the lighthouse service.

THE Royal Commission of inquiry into Maori Land Courts sees a need to combine the records of Maori land ownership with the general land administrative system.

THE cost of policing New Zealand's fishing zones was \$7,447,000 compared with \$8,013,000 in revenue from overseas fishing vessels' licence fees.

THE American company Gulf and Western Industries Inc has developed a new electric engine capable of powering a car at 90 kilometres an hour over 320 kilometres without recharging, double the distance present electric engines can achieve.

ARGENTINIAN President Jorge Videla, arrived for a 24 hour visit following a state visit to China. He had a brief session with Prime Minister Muldoon. All press conferences and interviews were banned. Amnesty International demonstrated against violations of human rights in Argentina.

OIL prices will rise to between \$32 and \$37 a barrel after last week's meeting of the 13 Opec Nations. But Saudi Arabia will hold its price at \$28 a barrel until September.

## The business week

AIMEX Holdings Ltd reported an audited tax-paid profit of \$534,000 for the year to March 31.

APA Holdings Ltd reported an audited tax-paid profit of \$556,000 for the year to March 31. A final dividend of 5.5c is payable on July 4.

Burkes Caterers Ltd reported an unaudited pre-tax profit of \$326,000 for the year to March 31 (\$211,000 last year). A final dividend of 6.25c is payable on July 29.

Cable Price Downer Ltd reported an unaudited tax-paid profit of \$8,687,000 for the year to March 31 (\$6,436,000 last year). A final dividend of 9 per cent is payable on August 29.

Commund Services Corporation Ltd reported an unaudited tax-paid profit of \$1,030,000 for the year to March 31 (\$826,882 last year). A final dividend of 5c is payable on July 30.

Ernest Adams Ltd reported an audited tax-paid profit of \$187,128 for the year to March 31 (\$219,648 last year). A final dividend of 8c is payable on August 1.

Fellex NZ Ltd appointed L W R Cave to the Board.

Fletcher Holdings Ltd reported an audited tax-paid profit of \$33,001,000 for the year to March 31 (\$16,730,000 last year). A final dividend of 10 per cent is payable on August 7.

New Zealand Refining Company Ltd has appointed E H Black to the firm's board.

NZ Steel Ltd reported an audited tax-paid profit of \$10,943,000 for the year to March 31 (\$11,685,000 last year). A final dividend of 8c is recommended.

Steel and Tube Holdings Ltd reported an audited tax-paid profit of \$3.9 million for the year to March 31 (\$5.27 last year). An unchanged final dividend of 5c is payable on July 30.

Winstone Ltd reported an audited operating profit of \$3,751,000 for the year to March 31 (\$7,975,000 last year). A final dividend of 4.5c is payable on August 13.

## Exchange Rates

As at June 12 1980 \$/NZ\$

Australia	2.5435
Britain	4.204
Canada	1.1369
Fiji	2.084
Japan	213.45
West Germany	1.7289
USA	0.681
Austria	12.23
Belgium	21.48
China	1.4232
Denmark	5.3916
France	4.0208
Greece	42.16
Hong Kong	4.3067
India	7.6332
Italy	816.26
Malaysia	2.0837
Netherlands	1.8969
New Caledonia & Tahiti	72.86
Norway	4.7191
Pakistan	9.3760
Portugal	47.23
Singapore	2.8631
South Africa	3.757
Spain	61.32
Sweden	4.0849
Switzerland	1.591
Western Samoa	5.89

## The week ahead

Tuesday: Commerce Commission hearing on Fletcher/Carter Holt case. Talk entitled: "Same aspects of loss prevention" by Bruce Jamieson, at 6pm, Friendship Centre, Boulcott St, Wellington. Select Committee on Lands and Agriculture petition hearing.

Wednesday: Select Committee hearing on the Maori Affairs Bill.

Thursday: "Assembly of Business" convention held by the Chambers of Commerce Education Programme in Auckland until Saturday.

## How far can you see when you make a business decision?



## With Computer Consultants' Qicplan, you can look before you leap!

Most business computers let you know where your company stood last month. Some business computers let you know where your company stands right now. Qicplan systems from Computer Consultants give you both these perspectives with ease. But you don't grow by standing still. You grow by aggressively attacking your marketplace, and consistently breaking new ground. This means you can't afford to fly blind. Now Computer Consultants bring you an exclusive planning and control tool that keeps you one jump ahead and eliminates most of the risk.

We'll soon be installing our 80th Qicplan Business Computer in New Zealand. The reason for our success is the reason you should pick up that phone - we believe that effective systems, back-up service and on-going support are as important as the equipment itself. If you're looking for a new challenge, accept ours. We won't let you fly blind - the future of your business is at stake. Phone us collect or clip and post this coupon.

PHONE COMPUTER CONSULTANTS COLLECT AT AUCKLAND 798-345 WELLINGTON 726-007, OR CHRISTCHURCH 799-588

It's called QICPLAN - A key component in the Qicplan Business Computer. While the standard Qicplan business systems keep you on top of your present position, the QICPLAN Management System goes further. Gives you control of the direction in which your business is heading. Lets you anticipate the likely outcome of any number of alternative decisions, and select the best. Provides answers to questions like: should we introduce that new product, or wait? Will our cash flow support the new venture? Do we have an accurate assessment of the new market size? What if...? QICPLAN's visionary qualities together with its ease of operation, make it essential ammunition in your business arsenal.

Computer Consultants Ltd  
COMPUTERS-BUREAU-WORD PROCESSING

P.O. Box 2639 Auckland P.O. Box 492 Wellington  
P.O. Box 2640 Christchurch

Please rush me more information about the Qicplan/  
QICPLAN Business Computer.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## The week

## PSIS chops off a link in its retailing chain

by Rae Mazengarb

THE PSIS this week will close its Upper Hutt retail store - one of a chain of 27 opened since 1958 when the society first moved into the retailing area.

Statutory manager Bob Stannard said last week no further closures were contemplated at this stage.

The Upper Hutt store had been losing money for some time, despite the strenuous efforts of staff both at head office and in the shop itself.

Stores in other areas, by contrast, had been recording steady improvements every year, Stannard said.

"In general, most other retailers would agree it's been hard going," he said, referring to an increasingly stiff competition in the retail sector and general constraints on retail spending.

The prime reason for difficulties had been the unfortunate siting of some stores, opened in the days when the society paid a rebate of 12.5 per cent ("I marvel at their apparent ability to do so") which attracted member customers, Stannard said.

With retailing becoming increasingly competitive, together with the society's inability in recent times to pay a high rebate, the stores found shoppers unwilling to seek out the PSIS stores down the side streets.

But changes in retail policy around April last year, whereby a rebate was payable on certain lines while other lines were discounted, had succeeded in making the stores more competitive, Stannard said.

Since his appointment on June 28 last year, Stannard has been steadily pruning off the flab and improving the services of an organisation which

had undergone such dramatic growth in its 50-year lifetime, that it was staggering under its own sheer financial weight.

So far, 75 per cent of members' frozen funds has been released, and while two Auckland properties worth some \$1.7 million have already been sold, Stannard said

that many more PSIS properties were awaiting disposal.

Asked when the society could be pronounced "fit and well" and handed back to its members, Stannard said he would "hesitate to put a date on it".

There was the important but "thorny" question of management reconstruction yet to receive attention, he said.

It is understood the management question is fraught with difficulties.

Stannard had to come up with a package that is not only acceptable to the majority of members, but more importantly, one which could be expected to hold its own in the marketplace.

Some weeks ago, Stannard said in the *PSA Journal*: "Quite frankly I don't think a board that met twice monthly between the hours of 12.30pm and 2pm was in a position to do justice to the situation".

## Sole private enterpriser leaves Petrocorp team

PETROCORP group finance manager Tony Byrne will leave the State-owned corporation at the end of next month to take up what he terms a "lowly" position with the World Bank, as a financial analyst for the East Africa Section.

The sole private enterpriser executive on the Petrocorp team, Byrne had been wooed by the bank for some time.

At the height of the methanol debate late last year - "when you couldn't tell how things would go here" - he joined the brain drain to chase an attractive salary.

He confesses to "tremendous regret" at leaving a corporation poised on the threshold of New Zealand's energy future. But he says that for those in the finance and accounting areas,

the rewards are definitely overseas.

"The current economic conditions here... inflation, taxation... are an equation you can't answer," he said.

A replacement for him has yet to be found, but Byrne said Petrocorp would "almost certainly get someone from private enterprise".

"A fresh mind brings new ideas - but he'll be running fast from the first day," he predicted.

"It's a complex business" when you are dealing with something like several hundreds of millions of dollars in borrowings and assets as the group is doing already.

Byrne joined Petrocorp after 13 years working overseas with the United Carbide

Corporation, living in Hong Kong, the Philippines and Switzerland. His children were "world citizens", for want of a better term, he said.

One of his reasons for joining Petrocorp was to see how the Government machine worked, from the inside out, he said.

Byrne commends Petrocorp management comprises "some of the most commercially-oriented people from Government".

With a probation period of 12 months which he takes up in September, Byrne says he takes the chance of being "on the street" at the end of that time, but he believes it will be interesting work.

Based in Washington, he will be travelling for about a quarter of each year.

## ALTERNATIVE TRANS TASMAN CONTAINERISED SERVICE

We thank the many shippers and forwarders who responded to our earlier press advertisement concerning our proposed fortnightly Trans Tasman Containerised Line Service to and from main New Zealand ports.

To alert those more directly involved with consigning freight between Australia and New Zealand, we are extending our advertising coverage to include specialist Trade Publications. If you ship goods on Trans Tasman routes and want an alternative regular and competitive service, please write to us. Your enquiry will be treated in the strictest confidence.

The Operations Manager,  
SEASPEED GROUP,  
P.O. Box 11-303,  
Ellerslie, Auckland, 5.

# SAVE 35%

## SUBSCRIBE TO NATIONAL BUSINESS REVIEW NOW.

When you subscribe to National Business Review you keep tabs - 48 weeks a year - on New Zealand politics, business, the money market, overseas trade, unions, transport and a score of other fields. The award-winning team of NBR journalists and correspondents - with their probing investigative features and first-with-the-news enterprise - have made National Business Review the liveliest, most-talked-about and most authoritative business, economic and political publication in New Zealand. News-stand price for National Business Review (\$56.00) and companion publication NBR Outlook (the twice-yearly special devoted to detailed analysis of important national issues) is \$59.00. Subscribe now for just \$25.00 - and save 55 per cent.

National Business Review / NBR Outlook cover price \$59.00; subscription price \$25.00.

To take advantage of the NBR subscription offer, simply fill in the Fourth Estate Subscription Service coupon elsewhere in this issue.

UP TO 17%  
on insured 2nd mortgages  
UP TO 16%  
on insured 1st mortgages  
Per annum for 2-3 years  
Other terms and yields also available  
For brochure write  
P.O. Box 258, Auckland or  
Phone 34-419

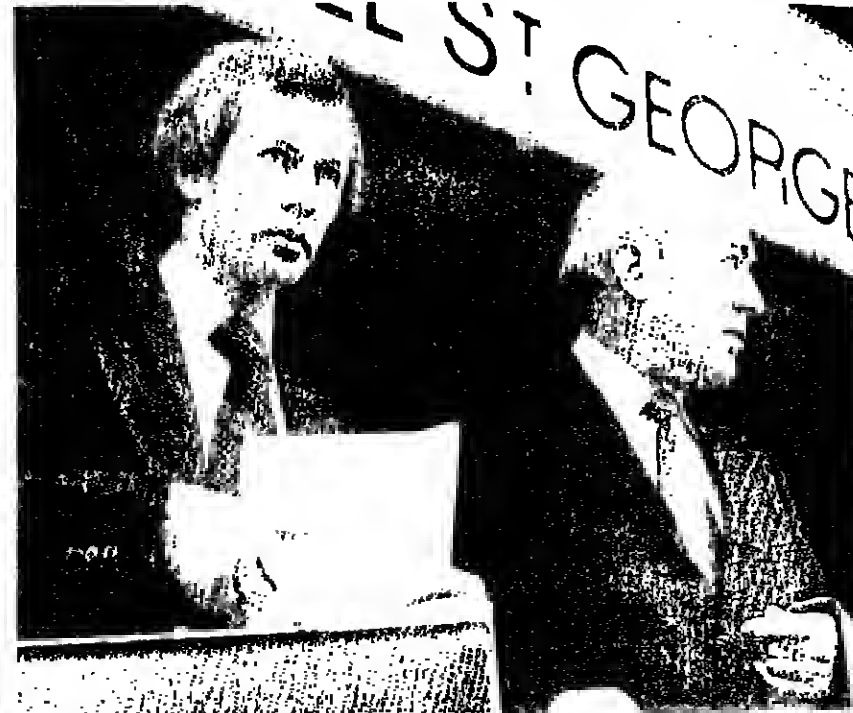
AM  
Allied Mortgage  
Guarantee Co. Ltd  
Professional Mortgage  
Managers & Insurers



# How to improve your out-of-town business



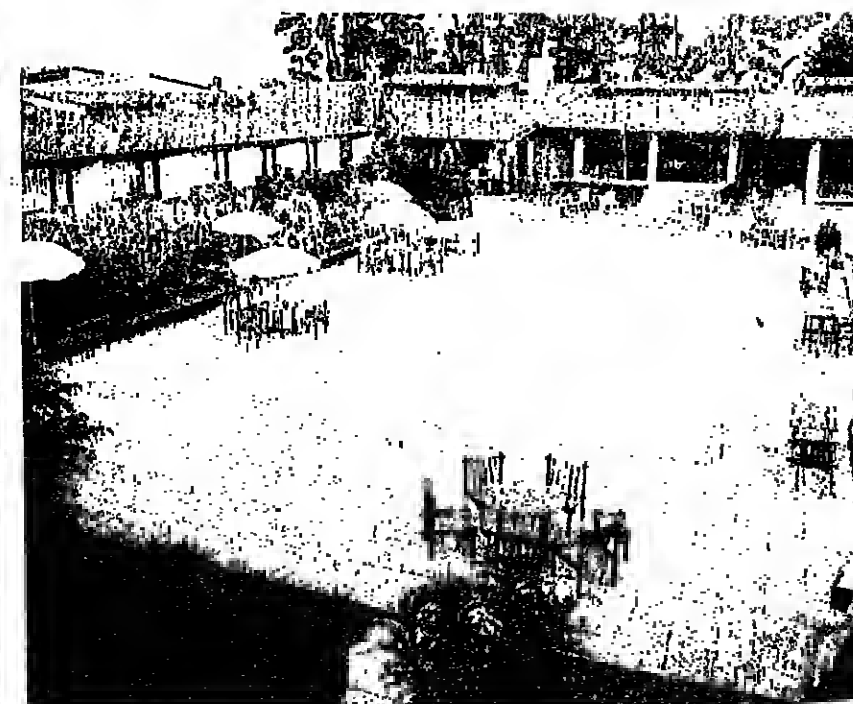
Auckland: South Pacific Hotel



Wellington: Hotel St George



Wellington: Hotel Waterloo



Christchurch: Hotel Russley

A business trip can be tough enough without a hotel that doesn't understand. At South Pacific Hotels, the businessman is Number One. We'll guarantee to improve your efficiency. For a start, our message service is fail-safe. We know that time's important so we can speed up food service or even your check-out just to make it easier for you. Because entertaining can be important, we offer high quality licensed restaurants with outstanding service and food. We've geared ourselves to be efficient because that's what you need. Stay with us and we'll improve your out-of-town efficiency. And that's a promise.

**The South Pacific Hotel Network**  
A better hotel. For better business.



A member of the South Pacific Hotels Group

S.62

Book through  
**INSTANT RESERVATION**  
Telephone: Auckland 794-660, Wellington 850-754, Christchurch 792-611  
Or your local Air New Zealand office or Travel Agent

## The week

### Hauraki out to give competitive spur to TVNZ

Hauraki Enterprises, parent company to Radio Hauraki, the former shoe-string radio pirate which broke the Government monopoly on radio broadcasting, is making a bid for private TV.

Mike Wall, former director of Colenso Communications and National Party electioneering adman, has been appointed executive director, television, at Hauraki.

Hauraki made a previous bid for 69 hours of television time to broadcast the Olympic Games. It was turned down.

This time Wall will complete a two-month feasibility study before offering a package to TVNZ.

Wall, who claims he has always been a frustrated

television or press man but stuck with advertising for the money, has spent the last year in Europe, partly vacationing and partly studying communications techniques.

Hauraki, according to a press release last week, contends "that the problems which beset television in New Zealand are directly attributable to the monopolistic nature of the industry and will only be resolved when the Broadcasting Corporation has to compete with private enterprise in the marketplace."

Wall said he wanted to put up an alternative to State-owned TV. He hoped he could work with TVNZ to a mutual advantage, he said, rather



Mike Wall... frustrated television man

than have a confrontation situation develop.

While Wall's feasibility study has yet to be completed, he had some preliminary ideas. A third channel was just not on at the present, he said. Hauraki would have to work through TVNZ's facilities.

The idea at the moment was not to go into television production but to buy in programmes and broadcast them in blocks of time leased from TVNZ. Hauraki would make its money selling the ads that held the programmes apart in these blocks.

Wall said an idea that might be attractive to TVNZ would be early-morning or late-night television, making use of unused time.

As Hauraki would be buying in programmes to fill its

time blocks — in the initial stages, at least — and not making programmes, how did this differ from TVNZ doing the same thing?

Wall said it provided viewers with an alternative type of programme.

Would the buying in of popular high-rating American programmes by a private system not just replace the tyranny of the state with the tyranny of the advertisers?

Wall said he did not think this would be the case and

disputed the distinction between popular programmes and good programmes.

In the end Hauraki would have to become involved in television production itself, Wall said.

As to the benefits of a private alternative to Government-controlled television, Wall pointed to the stimulating effect that private radio had on Radio New Zealand, and the competitive spirit given to the RBC by ITV in Britain.

### Examiner catches ad rate-fixers

THE ad rate-fixing agreement between the Agriculture and Fisheries magazine, *Catch*, and the privately-owned magazine, *Commercial Fishing*, has been revoked "on the advice of the Examiner of Commercial Practices".

He had written to *Commercial Fishing*'s editor Gordon Ferrier advising him that the MAF publication's rates would be dropped back to those previously charged.

It is understood the examiner had pointed out to *Catch* in response to the article in *National Business Review*, June 2, — that the paper's recent action of revising its advertising rates upward in line with those in the private sector, was not in the consumer's best interests.

The action amounted to a collective pricing agreement between two competing magazines which effectively

limited open competition.

*Catch* lifted its rates after Ferrier complained to Fisheries Minister Duncan MacIntyre, claiming his magazine was losing \$2015 a month due to *Catch*'s substantially lower rates.

Ferrier had pointed out that the MAF publication was subsidised, while his had to make a profit to survive.

MacIntyre replied that the Ministry would be happy to raise the rates of *Catch* in line with increases in *Commercial Fishing*'s rates.

*Catch*, in line with that policy, agreed to lift its rates to match its private competitor's.

A sneaker for giving the consumer "a fair go", examiner Gordon Stringer frowned on the agreement, and told Adam to revoke it.

The deed was done, but Adam told *NBR*: "We will be revising our rates again — as usual — at the end of the year."

### Trans-polar service to fly out of planning stage

AEROLINEAS Argentinas hopes to start a trans-polar service between Buenos Aires and Auckland before the end of this year.

Top Air New Zealand executives Geoff Matheson and Mauden Stanton travelled in the pioneer Argentinian Boeing 747 on its return journey last week for policy talks in Buenos Aires. When they get back, it is likely that bilateral talks will be held between the two Governments.

It is understood Air New Zealand regards the proposal that Aerolineas pioneer the trans-polar route as acceptable as long as there is no interference with the carrier's traditional traffic between New Zealand and London.

Air New Zealand itself has

too much on its plate at the moment to pick up any rights it would automatically gain out of a bilateral arrangement, but if the traffic built up on the route, it could start up a service itself any time it chose.

There is a high level of mutual interest between Argentina and South-east Asia (the 747 here last week flew in direct from Shanghai) and it is

known that the highly profitable South American carrier (\$60 million last year) has its eyes ultimately on a through service to Australia and Asia — although it would certainly not get pick-up rights in New Zealand or Australia.

But if Air New Zealand's interest in the trans-polar service to South America isn't high at the moment, a rela-

tionship has been growing over a decade.

In the early 1970s, the then chairman of Air New Zealand, Sir Geoffrey Roberts, predicted the airline's destination after Japan (achieved this year) would be Rio de Janeiro or some other South American city. And since April 1 this year, Air NZ has had a marketing representative in Argentina (Senior Roca in Buenos Aires, serving also Paraguay and Uruguay), and also representatives in Brazil and Venezuela.

Some observers of the travel industry say there could be a lot of traffic drummed up for the route over the next few years, with Buenos Aires only 10 hours away over the South Pole, not much further than Honolulu.

### Simulator decision

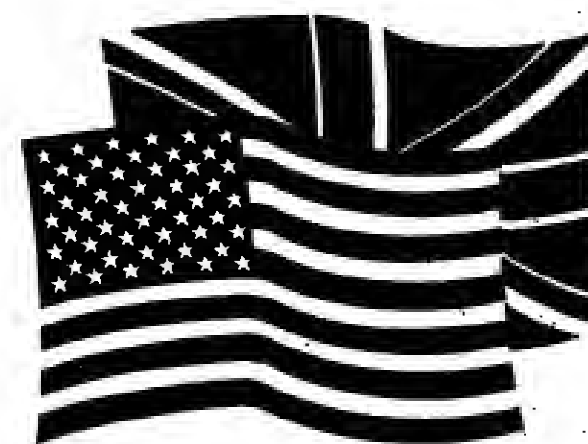
AIR New Zealand will buy a \$4 million Redifon 747 flight simulator to train its flight crews for the newly ordered planes.

Redifon's New Zealand

agent is Flight and Field Services Ltd.

The commissions paid, if any — and whether to Flight and Field Services or directly to Redifon — have not been announced.

## UK/EUROPE VIA U.S.A. ONLY CONTINENTAL AIRLINES GIVES YOU A CHOICE OF 11\* U.S. GATEWAYS TO EUROPE.



### At the lowest available airfare.

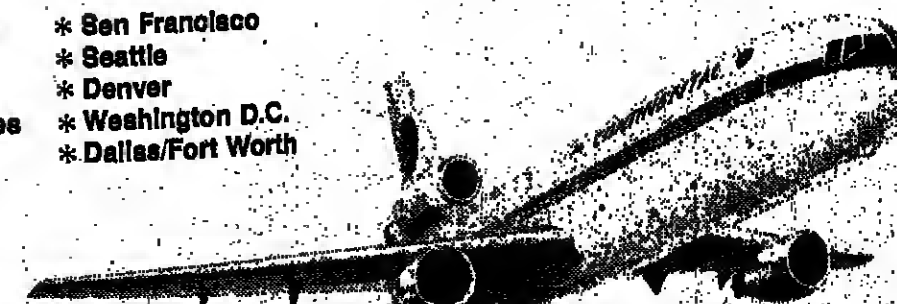
When it comes to Europe via North America, we think our local knowledge can give you a few points start.

Our special Statesman Service costs no more than the normal economy fare. Yet it gives you a lot more. Like free drinks and headsets for stereo and T.V./movies. Choice of window or aisle seat when available, preferential baggage handling, choice of at least two menus each meal. Three daylight departures

a week. VIP lounge facilities at Auckland, Honolulu and Los Angeles when available. Hassle-free Honolulu customs clearance and arrival in Los Angeles at our own terminal for over 100 Continental flights a day to over 40 North American cities.

Next time you travel to Europe come with Continental to the heart of our homeland. With 11 gateways to Europe to choose from, all America is yours.

- \* Anchorage
- \* Chicago
- \* Houston
- \* Los Angeles
- \* Miami
- \* New York
- \* San Francisco
- \* Seattle
- \* Denver
- \* Washington D.C.
- \* Dallas/Fort Worth



The Proud Bird with the Golden Tail.

**CONTINENTAL AIRLINES**  
U.S.A./Canada/Mexico/Hawaii/Micronesia/Australia/New Zealand/Fiji/Samoa/and the Orient.

If you can't fly Continental, try to have a nice trip anyway.

WHY NOT?



## Rose-tinted spectacles colour forecasting efforts

John Peel is a senior lecturer at Canterbury University's Chemical Engineering Department.

### *Brockie's view*

**NUMBER 3! YOU ARE SUPPOSED TO REGISTER YOUR DISPLEASURE BY DRAWING LINES THROUGH THE CANDIDATES' NAMES...**

NUMBER 3! YOU ARE SUPPOSED TO REGISTER  
YOUR DISPLEASURE BY DRAWING LINES  
THROUGH THE CANDIDATES' NAMES...

A political cartoon by Archie. In the foreground, a man in a suit sits at a desk with a sign '1' on it, drawing lines through names on a ballot. Another man stands behind him, looking on. The floor is covered with discarded ballots. In the background, two polling booths are visible, labeled '1' and '3'. The cartoon is signed 'Archie' in the bottom right corner.

But before producing the quote in his argument, he confessed he had forgotten the political commentator's name.

Tel. 736-876  
Cable: M...

Single coplas: 75 cents  
Subscription rate: NZ\$25.00 (congratulations)

**"I cannot recall a time of such splendid opportunity!"**

Figure 1. Schematic representation of the experimental design. The subjects were divided into two groups: the control group (CG) and the experimental group (EG). The CG was divided into two subgroups: the control group (CG) and the control group (CG). The EG was divided into two subgroups: the experimental group (EG) and the experimental group (EG). The subjects were divided into two groups: the control group (CG) and the experimental group (EG). The CG was divided into two subgroups: the control group (CG) and the control group (CG). The EG was divided into two subgroups: the experimental group (EG) and the experimental group (EG).

Pacifica, P.O. Box 820, Wellington





## Letters

## Sounding out mussels

"GREEN lipped mussels clamped in controversy" (NBR June 2) states that "the mussel lives under carefully nurtured conditions in the peaceful waters of the Hauraki Gulf".

It is a fact that there is a large marine farm off Waitheke Island and soon there will be two, at least, in Kaipara Harbour.

However, allow me to mention that 120 marine farms involving an area of well over 250 hectares are developing in the Pelorus and Kenepuru Sounds in Marlborough. Another 30-plus licences will be offered shortly, which still leaves a further 120 applications being processed.

Certainly, these farms are in the early stages of establishment, but this year production (in the shell) will exceed 2000 tonnes. A significant proportion is being freeze dried for

export to be used in pharmaceuticals.

Production techniques in the Sounds are resulting in much higher yields per given area.

Water quality and nutrient levels are resulting in mussels whose quality matches the best in the world.

Whatever the outcome of litigation involving mussel extracts, sufferers from arthritis are more likely to find that the source of their relief is the Marlborough Sounds rather than the Hauraki Gulf.

Your correspondent is welcome to come over sometime and see this rapidly expanding resource based industry.

Doug Kidd  
MP, Marlborough

## Dictum fits bill of farce

I ENJOYED Allan Simm's letter (NBR May 19) tetching Jim Kiux how to suck private enterprise eggs.

The dictum that history repents itself is certainly up to

Mr Simm's own free enterprise campaign. An economist who is nowadays unfashionable in business circles, Karl Marx, observed that when history does so repeat itself the common pattern is first time tragedy, second time farce.

The free enterprise campaign is endeavouring to recreate the 19th century of capitalism in a 20th century monopoly dominated environment and certainly fits the bill of farce.

Rob Campbell  
Industrial Officer  
Combined Unions

## Legislation a disgrace

I HAVE read the article by Mr Frank Thorpy entitled "Wine lobbying turns the illegal into legal" (NBR, April 28). If what Mr Thorpy said is true, and knowing the said gentleman, I cannot believe that it is not, this piece of legislation is an absolute disgrace.

I agree with Mr Thorpy.

that in many respects New Zealand has a marvellous climate for wine, if for no other reason than the fact that it is uncertain, and to permit such adulteration as is suggested can only mean that it will be a much longer period before our fine wines are known for what they should be.

Our friends in Australia, with whom we are meant to be getting economically closer, can easily fill the gap (and at a lower price) that our apparently inefficient wine growers cannot. Having been in the wine trade myself in the fifties, I agree with Mr Thorpy's remarks that from 1960 on the writing was on the wall.

I thoroughly agree with his suggestions that the Wine Institute which sounds so independent should be renamed the Wine Manufacturers Association and the thought of joining those leeches in the Eastern United States can only be of the greatest detriment to our potential as fine wine exporters.

I do hope that your excel-

lent publication will keep the pots boiling over this appalling legislation.

Duncan Hamilton  
Auckland

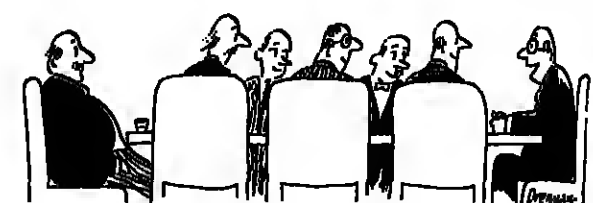
## A plea for provinces

I READ with interest the article written by your anonymous economics correspondent on regional development (NBR, May 12). After Dr Scott pinpointed the problem, that you cannot get the right answers if you don't know the questions, your correspondent then accused Dr Scott of

falling into a trap designed by central Government to do next to nothing for the regions. I would claim that it was your correspondent who fell into the trap. With 11 slow growth regions crying out for some real in-depth investigative reporting, he had the excuse to do nothing.

Here is an opportunity that should not go begging. NBR, this is your opportunity to get away from that big city desk and into the provinces. And please cover the widest possible sources of information as the broader the base the more balanced the coverage.

Kenneth D Mitchell  
Wellington



"Real assured, gentlemen—any woman who tries to get on this board will have more than her fair share of viable assets."

## Politics

## By-elections — something for nearly everyone

by Colin James  
POLITICS is a competitive business. On one side or the other is usually left unhappy at the outcome of any political event.

So the Onehunga by-election is a rare occasion. On election night the Hugh Watt Hall (no prizes for guessing which party) was awash with noxious good humour.

And down the road at an abandoned furniture showroom the Nats are beaming with delighted self-satisfaction.

In the one, celebration of a stunning candidate; in the other, the line held when logic should have dictated a rout.

Onehunga was, however, a tall thing to all men.

Social Credit, whose wily organiser Henry Raynel (winner of the rape of Labour in Fielding in 1978) who had a doubled percentage

in his sights, had nothing to celebrate.

The league's Christchurch Central triumph of last year was not repeated. Its Onehunga vote share rose only by the merest fraction.

And in the Northern Maori by-election Social Credit had taken a mauling — from 14.9 per cent to 8.6 per cent, comparing the by-election polling night figure with the comparable 1978 result (that is, the final result minus special votes counted after polling night and servicemen's votes).

By contrast, the main parties had cause for pleasure in Northern Maori, too. Labour had taken the seat back from defector Mat Rata. Bruce Gregory had won decisively enough in the country to head off Rata's good showing in urban Auckland.

So dingy, poky Hugh Watt Hall reverberated to guitars and dancing feet.

And down in the bright-lit cavernous acres of the carpet showroom, the party that had stayed out of Rata's by-election for fear of coming fourth saw in Rata's good showing improved prospects of shaking loose the Maori vote from the Labour stranglehold.

The Mana Motuhake movement, Rata's vehicle, also had consolation in defeat.

When last did a radical party in New Zealand get between two-thirds and three-quarters of the vote of the conservative party (in this case, Labour)?

That vote may have been swelled by a transference of anti-Labour protest from National, Social Credit and others, but that alone does not explain its size.

Nor is it simply a matter of a bigger share of a smaller pool. The polling night total vote was 96 per cent of the comparable 1978 figure — ex-

remely high for a by-election.

In any case, analysing the by-election will tell only part of the story and, given the state of the rolls and the special nature of Maori politics, may get even that part wrong.

Mana Motuhake needs to be judged in a broader and longer perspective.

Its parliamentary failure obscures the effect it has indirectly had in changing the nature of political debate about Maori.

Labour Party phraseology and policy on Maori matters have suddenly moved much closer to the objectives of those behind Rata than it had been while Rata was Labour spokesman.

That should take some of the electoral sting out of Mana Motuhake, whatever now happens to the movement as such.

But its influence will still be felt. A telling political statement has been made that Labour and other politicians are unlikely to be allowed to forget. Maori politics has moved into a new phase.

Such waters run deep. The currents are treacherous for political commentators.

But even safe in the more manageable Anglo-Saxon tradition of Onehunga, the eddy currents are a problem.

What on the face of it is a straightforward result with a simple message is not quite what it seems.

Start with the fact that polling night vote percentages in the by-election were almost exactly the same as the comparable 1978 general election figures.

They were: National 39.2 per cent (39.3 per cent in 1978), Labour 48.0 (47.5), Social Credit 11.4 (11.2) and others 1.4 (2.0).

That makes a 0.3 per cent swing from National to Labour, based on the total vote.

It is now time to say that by-elections can be misleading as indicators of the national mood. In Britain same-day by-elections in different seats often produce widely different results.

But Onehunga is noteworthy because the stayput position in its result ties in with recent opinion poll findings that the three parties have for the past few months

been close to their 1978 support (National and Labour hovering around 40 per cent each, with minor variations that do not mean much, and Social Credit a point or two above its 1978 16 per cent figure).

On the face of it, the by-election is bad news for Labour, which should be eating the Government at a time of high inflation and unemployment, if old laws of electoral logic held good.

But there are some qualifications.

The first is the rolls. It appeared at first glance that there was a very low poll — around 50 per cent.

But, looked at another way, there was a creditable poll for a by-election — votes counted on June 7 were less than a quarter (23 per cent) down on the election night count in 1978.

One may conclude from that, that the 1980 roll was as inflated as that of 1978, when the rolls were in chaos.

But whereas in 1978, through a sustained, mammoth effort by voters themselves and the political parties, pretty well everyone eligible to vote got out the roll, there was not time for this in the runup to an unexpected by-election.

Since the transient area in the Onehunga electorate is principally in Labour's best area, on the flat in the south-east, where Labour had majorities over National of around 30 per cent in 1978, it is fairly safe to assume that such denial of the vote to eligible voters as did occur, probably harmed Labour, perhaps to the tune of several hundred votes or more.

The second qualification lies in the curious apparent polarisation of support. In almost all booths held by National in 1978, there was a swing National's way. Conversely, in almost all Labour-held booths as well to Labour.

Does this reflect the growing policy differentiation between the two parties? Probably not, given the electorate's slowness to notice change in policy.

Sue Wood was a particularly attractive candidate to National-inclined voters. That (and, perhaps, the absence of the 1978 prime ministerial turnover) is a more likely

explanation. (Wood also did well in booths near where she lives.)

The Labour swings, however, look more like a re-heating of the faithful in reaction against the Government. Sir Labour canvassing in other seats would suggest, anyway.

But the Labour swings were smaller than the National swing in the three zones I selected last week.

In the safe-National chunk in the north, the swing to National was 4.0 per cent. In the Labour-marginal Ellerslie "mixed zone", the swing to Labour was 2.1 per cent. In the safe-Labour south-eastern zone, Labour's swing was 0.9 per cent.

Taken as percentages of their 1978 votes, Labour lost more heavily in the safe-National area than National did in the safe-Labour area. And Social Credit held its vote much better in the safe-Labour area than in the safe-National area.

These figures suggest more hesitancy among Labour sympathisers than National sympathisers.

But the two main parties lost roughly even proportions of their votes in their strong areas. And bigger Labour and Social Credit falls in the north may reflect less organisational effort there.

Which takes us at least some way back towards the Wood-appeal-National anti-Government-appeal-Labour theory.

Thus, from the state of the rolls, a per cent or two more "red" swing to Labour. And, if you subtract Wood's particular appeal, perhaps a little more.

Perhaps enough for Labour to take hope of currents starting to move its way. But a long way short of grounds for confidence. The waters are a bit middy.

The by-election did throw up one clear pointer, however. As I trekked the corridors of genteel Epsom Girls Grammar School looking for Labour's Fred Gerbie in a liberal studies class, I was hit on the head by a missile.

It says two things about the Auckland middle class's female offspring. They have a certain irreverence. And their aim is good.

## TOMORROW YOU WORK - TONIGHT YOU SLEEP.



Pan Am's all 747 services from New Zealand introduced word in First Class.

The Sleeperette® seat.

The most comfortable chair in the air.

When fully reclined the Sleeperette® stretches out to the length of four and a half windows.

Perfect for reading, enjoying the stereo, the movie or getting a good night's sleep.

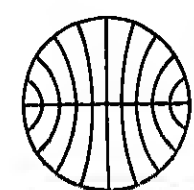
Whether you're planning work or play after the flight, Pan Am's Sleeperette® seats get you there rested and ready.

And along the way, you will enjoy a choice from superb international cuisine and finest quality French wines.

Only Pan Am gives you all 747 Service to both U.S.A. and U.K./Europe.

And only Pan Am gives you the spacious luxury of Sleeperette® seats.

See your travel agent.



PAN AM

We fly the world  
the way the world wants to fly.

chairs and seating  
for the executive.



nobody does it better.  
Zip

Commercial Interiors

A DIVISION OF ZIP HOLDINGS LTD.  
27, Erie St.  
P.O. Box 1188  
AUCKLAND  
Tel: 752-104  
114 Toi Road  
P.O. Box 10-261  
WELLINGTON  
Tel: 430-419  
17 Thomson Quay  
P.O. Box 10-261  
WELLINGTON  
Tel: 722-771  
39 Manchester St.  
P.O. Box 10-261  
CHRISTCHURCH  
Tel: 63-937  
292 Kaitiaki Valley Rd.  
P.O. Box 10-261  
DUNEDIN  
Tel: 36-084  
14015







# Profit-makers lean right and loss-makers lean left

BANK of New Zealand Chief Economist, Len Bayliss, keeps plugging away at official economic policy in spite of regular rubbishing from you know who.

Bayliss' latest foray into these murky waters is his address of June 10 to the Manawatu Economic Society.

He was back on the long-standing platform of a substantial devaluation of the New Zealand dollar, control of the money supply, more relaxation of import licensing and other protectionist devices, and changes to fiscal policy.

This time Bayliss added in specific proposals for limiting income movements on a sliding scale to amounts below the increase in the "cost of living", by which I presume he means the Consumers Price Index.

"If there is to be a worthwhile rise in investment and a reduction in inflation,

there must be some restraint in the growth of both consumption and incomes — and this is unlikely to be acceptable in spite of the policy proposals listed above unless there is a general recognition that restraint is 'equitable'.

"The rise in the family benefit is designed to preserve the real incomes of single income/low income families with children. For other wage earners earning up to \$10,000 per annum real incomes should be reduced by holding wage increases to 3 per cent below cost of living increases — while a much larger proportion reduction should be borne by those wage and salary earners on higher incomes rising to 10 per cent on those earnings over \$40,000.

"Charges for professional groups should only be permitted to rise by the cost of living less 10 per cent. Such moves would make it clear

PETER V O'BRIEN comments on the financial and business week, appraisals the share market and analyses company accounts.

that the initial burden of readjustment was being fairly shared and should provide a framework in which rank and file trade unionists and their leaders can support or at least not strongly oppose the proposed moves which are in their own long term self interest.

With respect to Bayliss, while this proposal may seem "equitable" and so on, he seems to have overlooked two points.

First, the higher income brackets are being hit already in relation to lower income groups, under the progressive tax structure. Second, the proposals sit curiously with calls for greater incentives and reliance on initiative. The lack

of incentive, and punishment of initiative, are a reason (but not the only one) for the "heavy emigration" referred to in Bayliss' address.

The tax element is important. At first glance an individual on \$40,000 is earning 4 times as much as a person on \$10,000.

When we look at the tax, a different picture emerges. The earner with \$40,000 of assessable income has a net figure of \$19,965.92 after tax (we have taken the "S" tax code for simplicity). On a similar basis the person with assessable income of \$10,000 a year has net income of \$7,528.04.

Instead of a ratio of 1:4 we have a ratio of 1:2.65, which is quite a change.

The position is worse in the case of the "professional" who operates under fixed charges. Once you go past 40 hours the same charge but rate applies to the work.

The client fails to wear an argument that his work comes in the hours from 40 up to 50, 60, or 70.

The same principle applies to executive staff and so on who are paid a salary to do a job, irrespective of how long it takes.

Try applying that principle to any other section of the community which is paid on an hourly rate, or a 35 or 40 hour, week, and see what would happen.

If Bayliss' scheme were to be enforced it might be appropriate to adjust it for "hours worked" concept, and to have a look at the most privileged class in earnings stakes: those paid from the public purse for doing "administrative" tasks, in the higher income brackets.

Many of those people are implementing (or dreaming up, in spite of their curious protestations that ministers make policy) the various economic policies to which Bayliss takes exception.

Apart from the sections of the broad public service which provide the true "services" (teachers — as opposed to educational administrators —

police, transportation, workers, hospitals, communications, mail, etc.) may run very well (perhaps better) if large sections of the balance took a long holiday.

While Bayliss can be teased on these grounds, other comments and suggestions are commonplace, particularly the statement that in no, or limited, circumstances is the economy to be reorganised in 1976 (when a new licensing system is introduced).

"This situation affects a number of causes — government regulations and bureaucratic procedures, business monopolies, cartels and other marketing agreements, widespread restrictive practices by professional and trade unions etc."

The large scale devaluation proposal is unlikely to be implemented in the short term, unless the Government does an about face (a possibility, because the devaluation has been a "gradualist" philosophy).

Much of Bayliss' paper has summed up in a few words here a few years ago, subsequently given a collage of plagiarism by certain politicians who are capitalists when they are in a profit and loss account, but they make a loss.

# Analysing annual accounts: Autocrat Holdings

AUCKLAND based Autocrat Holdings Ltd returned to the respectable level of profitability in the year to February 1980, after several years of comparatively poor performance.

The electronic equipment manufacturer and distributor earned 18.6 per cent on shareholders' funds last year, the first time since 1975-76 that the rate has been above 10 per cent.

Autocrat used to be a high flyer in terms of earnings rates, but the company's reorganisation in 1976 (when a new licensing system was introduced) coincided with the general recession, which was particularly severe in the consumer electronics industry.

Capital rose from \$630,000 to \$1,230,000 after the reorganisation, and was further increased in 1978 when the company issued 480,000 \$1 shares to Sanyo Electric Co of Japan.

Autocrat has the New Zealand franchise for Sanyo equipment, a range which covers colour TV receivers, stereo and radio products, business machines, vacuum cleaners, batteries, and other goods.

Sanyo owns 16 per cent of Autocrat.

## consider Feltex offer

Shareholders may think the offer for, in the circumstances of the retail industry and their company's recent share price, although there is a curious gap between 1973's price and that of 1980.

Some of us can see seven years ahead, but it would be interesting to know, with the benefit of hindsight, whether the Feltex directors considered they may have paid too much for their 60 per cent holding.

They could have made a mistake, because we all do, as shown by a recent comment in this column.

On March 24 I suggested Fletcher would earn about \$23 million in the year to March 31, 1980, and on that basis considered the shares were worth around \$4 each bonus.

We all know now that Fletcher earned \$30,161,000 for the year, before taking \$103,297,000 or \$28 for each share. There was a 31 per cent

The latest accounts show an 8.2 per cent lift in sales and rental revenue to \$16,551,000. The profit and loss account omits a statement of expenses (or their breakdown), but "trading profit before taxation and extraordinary items" was \$2,138,000, compared with \$459,000 in the previous year.

Trading expenses therefore went from \$13,911,000 to \$14,413,000, an increase of only 3.6 per cent.

That remarkable performance receives perfunctory treatment in the chairman's review.

Chairman Ray Walker says: "The improvement resulted from increased rental revenue, higher unit sales of all consumer products together with margins being maintained because of the relationship of the New Zealand dollar to the yen, and our control of costs."

It would be interesting to see in more detail the benefits from each source, particularly the "relationship of the New Zealand dollar to the yen."

The accounting policies say that gains or losses from exchange movements are treated as revenue items, but their is no indication of how much "gain or loss" is included in the profit and loss account.

The fact that "margins were maintained" through the

dollar/yen relationship last year is no guarantee that the same position will be preserved in future, given the volatile state of international currency markets, although the group may receive some benefit from the new system of setting our exchange rate and forward cover announced in the 1979 budget.

Autocrat is a relatively small company (shareholders' funds of \$6.5 million and total assets worth \$13.7 million), and therefore should not be expected to produce massive amounts of information at substantial cost.

But the balance sheet has notable omissions.

The lack of information on rental equipment is the main fault.

The company says it "increased rental revenue", and then says "working capital was again used this year to

finance expansion of the rental division. Alternative longer term finance will be considered this year to ensure that planned growth is achieved". A good statement of policy, if rather vague.

We turn to the balance sheet to see how the rental division "expanded", a growth factor which would assist understanding of "increased rental revenue".

There is nothing to see. Group assets are listed as: Fixed assets, \$4,250,000; investments, \$4,000; cash at bank and on hand, \$153,000; accounts receivable, \$3,001,000; and inventories, \$6,274,000.

The notes to the account say that land and buildings, less depreciation, are worth \$747,000, and that the net value of "plant vehicles and equipment" was \$3,503,000 at balance date, compared with

\$2,491,000 in 1979.

The cost value of this equipment was from \$4,440,000 to \$5,972,000 in the same period. Where is the rental equipment? Buried in the total plant and equipment, which includes manufacturing plant?

Examination of the accounts receivable adds nothing to knowledge of what happened in the rental division, because the element "provision for unearned income" (\$136,000 last year, compared with \$127,000 in 1979) relates to accounts receivable which are hire purchase contracts, or similar debts.

A rental agreement falls outside that classification, because it is an "off balance sheet" item, except for rental payments which have fallen due and are unpaid at balance date.

The result is that we take the

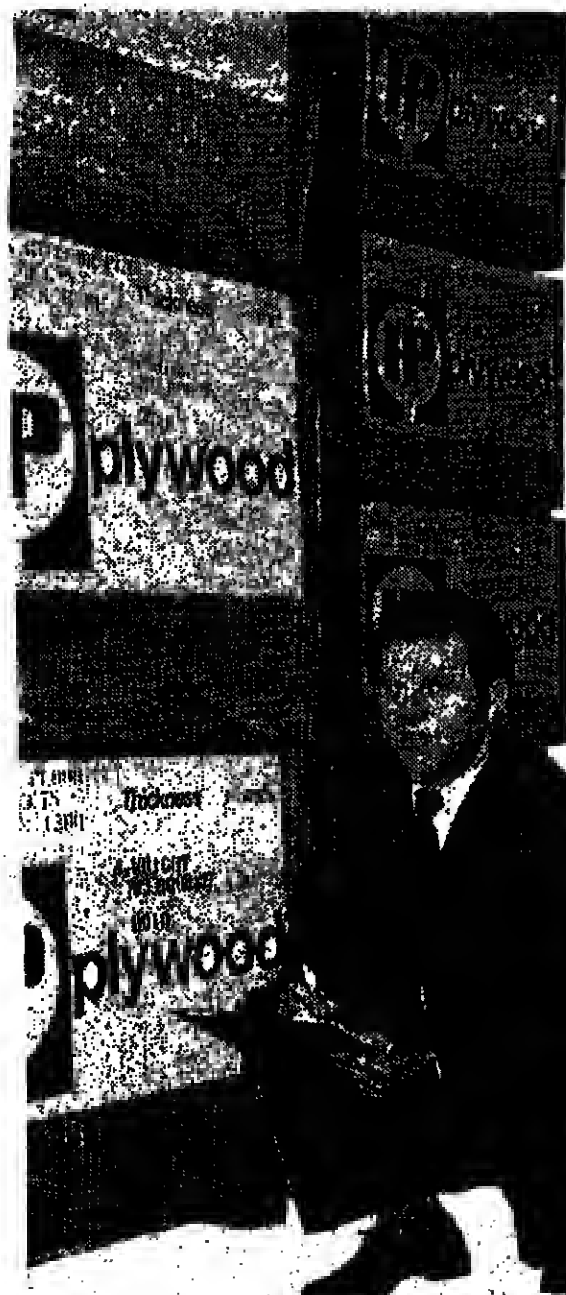
directors' word for the fact that "rental income increased" and that the company expanded its rental division.

The lack of information is important, because a rapidly growing rental operation has a sizeable effect on profit growth, and on the company's value.

A brief consideration of Transvision Holdings and the Group Rentals division of General Finance (now part of New Zealand Motor Corporation) confirms that point.

The shareholders will probably overlook the vagueness of accounting disclosure (and a similar vagueness in several of the chairman's comments — "a significant contribution to profit") since they are receiving a substantial increase in dividend from the record net profit.

# What Union Company customer service means to David Stone.



When Henderson & Pollard first began exporting plywood to Australia four years ago, marketing manager David Stone soon learnt that ships were only part of the Union Company service.

"Before we even got to the shipping stage" he said "Union Company came to learn about the product we made; they advised us on their specialised packing methods, showed us how we could cut freight costs — all off their own bat."

"As a major trans Tasman exporter we've been able to depend on Union Company to ensure rapid regular service to all our Australian customers."

"Sure, it hasn't all been plain sailing, but I can say this — Union Company people have always done well by us."



every day one of our ships is in one of your markets.

New Zealand Branches: Auckland 774-730; Tauranga 53-199; Wellington 850-799; Nelson 83-014; Lyttelton 7149; Dunedin 777-201.

## Retailer's shareholders

SHAREHOLDERS in Smith & Brown Maple Furnishing Co Ltd will receive less per share under the offer from Feltex New Zealand than they did in 1973 when Feltex acquired 60 per cent of the capital.

Feltex is offering three of its shares and 10 cents in cash for every two Smith and Brown Maple shares.

Last week Feltex was selling at \$1.20. Three shares and 10 cents in cash is a total of \$3.70 for two Smith and Brown shares, which prices the latter at \$1.85 each. (At the time the offer was first announced the bid was worth about \$1.97 a share, but there is still a difference between that figure and the equivalent of the 1973 offer).

After paying \$2.85 a share for 60 per cent of Smith and Brown seven years ago there was a one for three bonus, which would reduce the effective price to \$2.14. There was also a cash alternative in 1973, which is absent this time.

There is still a difference in the latest offer, irrespective of whether one takes \$1.28 or \$1.20 for Feltex.

A lot has happened to the retail business since the heady days of 1973, and that probably accounts for the difference on the two offers.

Feltex directors are correct in saying that there will be a capital gain of 43 per cent to Smith and Brown shareholders, based on the price for the retailer at the time the notice of offer was delivered to the company.

On that basis, the shareholders may be thankful that they are being offered something close to the 1973 offer, assuming that they held on to their remaining shares in the ensuing seven years.

Another difference appears when the offer is examined in relation to the respective net asset backing of the two companies.

Research done in Wellington recently gives each of Smith and Brown shares an asset backing of \$2.25. Feltex's calculation starts with its assets as at June 30, 1979 (\$24,759,000) deducts preference capital (\$2.2 million) and interim profit dividend (\$469,000) and difference between value of land and buildings and the latest government valuation (\$1,732,300).

Adjusted shareholders' equity on this basis comes to \$26,760,000, or \$1.64 for each Smith and Brown share, a 73 per cent premium.

A similar calculation for Feltex starts with net assets of \$100,133,000 at June 30, 1979, deducts preference capital (\$149,000) and adds \$3,313,000 for interim profit dividend. The result is \$103,297,000 or \$2.28 for each Feltex ordinary share.

Another amount has to be added to the Feltex figure, in my view, to take account of the fact that the company's land and buildings (including items taken to the books as "subsequent cost") are valued at 90 per cent of their government valuation.

If those assets are written to 100 per cent of government valuation, an amount of \$3,457,000 must be added to Feltex's net asset backing, which will result in an adjusted net asset backing of \$2.37.

Three times \$2.37, plus cents, comes to \$7.11, compared with twice Smith and Brown's asset backing of \$3.28, equals \$7.34.

The difference of 13 per cent, given the total amount involved (it is only 13 per cent), and the fact that shareholders would be likely to receive net assets for their shares, does not seem to be a particularly compelling reason to look at the potential of the offer.

# Manufacturing Engineering Business Sought

I have a client wishing to purchase a small manufacturing engineering business, preferably in the greater Wellington area. My client will negotiate a purchase price in the vicinity of \$50,000 for the appropriate business.

Please contact:—

D.C. Wylie  
Chartered Accountant  
P.O. Box 9526  
Wellington  
Telephone 850-149

Immediate Delivery

INTRODUCING THE NEW  
**Kodak Ektagraphic B-2AR**  
Slide projector.

Projecting the right image at all times.

Any sales conference, business presentation or group discussion can only be enhanced by employing visual aids. You'll be well aware of the lack of attention span with an audio-only type of presentation, and that's why we know you'll welcome the introduction of the new Kodak Ektagraphic B-2AR Slide Projector.

Now immediately available, it will enable you to have the very latest in audio/visual equipment for your organisation at a cost significantly lower than that for other comparable slide projectors.

The new B-2AR operates at 50 or 60 Hz in two voltage ranges — 110 to 130 volts and 220 to 240 volts. When the power cord is plugged in and switched on, the B-2AR automatically sets itself to the available voltage supply.

Focusing can be done away from the machine, and the choice of sharp Kodak EKTANAR lenses and coated internal optics ensures a crisp image with increased brightness, greatly assisting presentations in semi-dark conditions.

The heavy-duty construction of the B-2AR ensures that a certain amount of heavy-handed treatment can be absorbed with no ill effects.

For full technical information and details of accessories and lens options, please telephone or complete the coupon.

PLEASE SUPPLY FULL INFORMATION ABOUT THE KODAK EKTAGRAPHIC SLIDE PROJECTOR, MODEL B-2AR.

NAME .....

ADDRESS .....

.....

.....

Motion Picture & Audio Visual Markets Division  
Kodak New Zealand Limited  
P.O. Box 2198  
Auckland  
Telephone 778-930



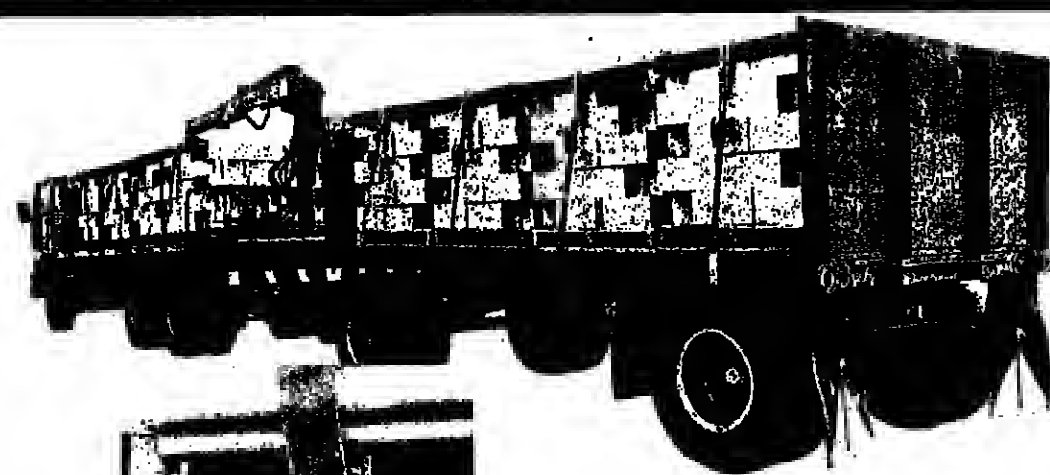


CCA accounting technique and "Reals" is logical. "Inflation accounting is therefore a corollary of the expression of financial contracts in terms of Reals."

which are not subject to obsolescence and wastage and on which the gain in value because of inflation is not taxable. This means hoarding and a diversion of saving from productive investment.

"He is therefore inclined to look for avenues of investment such as land, gold, diamonds, and antique

**The Butler range of Webblings.  
Standard and custom made.**



**Safety cargo control straps and winches. Safe ratchet buckles and winches with supersilrong webbing keep all loads secure.**

**Butler Industrial Safety Products:** The range and security is unmatched.

**BUTLER**  
  
**SAFETY**

**Buller Satety:**  
For more information on (please tick):  
Webelings, ☐  
Evelok fall arrest equipment, ☐  
Industrial satety belis, ☐  
cargu ennilol strips and winches ☐  
Please send this coupon to John Edward Buller  
(N.Z.) Ltd, P.O. Box 1781, Auckland.  
Name.....  
Address.....

**How to get it when you don't know how**

**Ask BISPAC — a business Information service that can service all your information needs.**

Whether you want information on technical, scientific, business management, marketing, medical, chemical, educational, economic or social questions, BISPAC can provide the answers fast — and keep you updated regularly.

Full details from Rosemary Smith, BISPAC Manager, RN Box 332 AUCKLAND or phone 788-268.

**Please send me more information about BISPA**

Phone 

Title .....

**Company** .....

Address .....

WEEK FRIDAY JUNE 6 TO THURSDAY JUNE 12

[illegible]

"I get days when everything just seems  
to get on top of me."



## SPRAYING SYSTEMS (NZ) LTD

**WELLINGTON, NEW ZEALAND. P.O. BOX 8047 TE ARO  
TELEPHONE 859-328, WELLINGTON. TELEX 31248**  
Suppliers of spray nozzles for all needs — industry,  
manufacture, agriculture. Over 15,000 types from Spray  
Systems Co, world's largest manufacturer of spray nozzle  
and related equipment. Send for catalogue.

**EXPERIENCED WELLINGTON AGENT AVAILABLE**

The NZ Agent of an Overseas company is not fully occupied in this capacity and can offer part-time Agency, Sales or Administrative services to any organisation requiring reliable personnel service in the Wellington area.

For details please write:-

NZ Agent  
PO Box 934  
Wellington

## Collier Fletcher Real Estate MREI

**For all your office — warehouse — factory needs**  
**Property Management & Consultancy**  
 Auckland 33-608 Wellington 723-629 Christchurch 788-629  
 and 15 offices in  
 New Zealand, Australia, Hong Kong & Singapore

**R. A. JARDEN & CO.**  
**STOCK AND SHAREBROKERS**

**Members of the Wellington Stock Exchange**

9th Floor B.P. House Cnr Waring Taylor St & Customhouse Quay, Wellington, New Zealand	Telephone 736-860 Box 3394, CPO Wellington Telex N.Z. 3667 Cables: Portfolio, Wellington
--	---



# Shingle-maker hoping exports go through roof

by Lindsey Dawson

EXPORTS of radiata pine roofing shingles could reach \$40 million a year soon, says the managing director of

South Pacific Shingles NZ Ltd. Wayne Meyer — "as long as we can get the help and the tax incentives all the big companies have had."

Meyer has fought a six-year

battle to get the roofing shingles business off the ground in New Zealand — a fight which he estimates has cost his company \$130,000.

The company was ham-

pered until six months ago by Standards Association worries about the combustibility of wooden roofs, despite the fact that shingles are an accepted form of roofing around the

world.

More than 10 billion square feet of United States roofs are shingled each year, and the Canadian shingle export market is worth \$400 million.

But it wasn't until December of last year, after intensive researching and lobbying, that Meyer succeeded in getting Standards Association approval for pine shingles to be used on roofs.

Before that, Meyer had a small home market for shingles used as walls and sidings, and a few roofs where clients managed to get a building permit from local bodies using a dispensation clause.

"It was possible to get permission, but it was such a hassle that people didn't bother," he said.

"Because we had that limited home base, it wasn't easy to get into exporting. But despite that, we managed to get orders from Australia and the Pacific Islands.

"The only way we could do it was by ploughing every penny we had back into the business."

Meyer is disappointed in the lack of Government help offered to companies like his which are potentially big export earners.

"Export incentives are for the big boys," he said.

"We applied for a target-market grant to enable us to expand our business overseas. But we were turned down because we had sent away just a shade under the required \$100,000 last year ourselves, although total exports were much higher, so we have to borrow money to finance our next sales trip.

"Prior to that we wanted to borrow money to buy a machine. We couldn't have it because, once again, we didn't have a track record.

"It's a system that benefits the big companies. It does nothing for the small ones that are struggling to succeed."

But big success is in the offing now that Standards Association approval has been achieved.

Meyer is particularly pleased with a recent export order to Canada through Cullins Ltd. "It's great to hear them in their own country," he says. And the American market is just opening up.

"We're already pushing the Canadians out of the Pacific. If we can achieve 15 percent of the New Zealand market, we can take 10 to 20 percent of the American market fairly quickly, provided we can get the timber."

Close association with a large timber company will be necessary in developing export, Meyer says.

## Takeover hearing

THE Commerce Commission has called for all groups wanting to take part in the hearing of the inquiry into the proposed takeover of Carter Holt Holdings Limited by Fletcher Holdings Limited to notify the commission in writing by July 2.

The Examiner of Companies Practices has already notified the commission that it is his provisional view that the proposal is contrary to the public interest. Late last month he advised the commission of his intention to investigate the matter fully before furnishing the commission with his report.

The examiner and the participants to the merger or takeover are automatically entitled to appear and be represented at the hearing.

"But we're looking for a trading partner, not a company that will knock us around."

South Pacific Shingles to become involved with a Bay of Plenty sawmill and has a capacity now to produce shingles for one-tenth of the New Zealand roofing market.

Meyer is confident of success because New Zealand radiata pine shingles have advantages over Canadian cedar.

Cedar is brittle. Pine shingles are not. And New Zealand makes its own manufacture reduce Canadian wastage factors by 20 percent.

Meyer points out that New Zealand shingles are 100 percent New Zealand made. "And we can get 500 percent more for pine than cedar shingles than we can send out in the form of unpeeled logs," he says.

## Plastics

# Plastics firm scoops defence deal

by Peter Isaac

UPPER HUTT-based McCabe Industries has secured a significant Australian defence contract.

The company's research-and-developed nylon cable gripping glands have become a critical component for the Australian Government's new fleet of patrol vessels.

The glands, specially designed for gripping electrical cables, are replacing previously specified brass glands. They reduce the overall weight of each vessel by

350 kilograms — a not insignificant weight consideration in a fast patrol boat.

The watertight seal glands, made of glass reinforced nylon, have a distinctive double insulation feature developed by McCabe Industries.

The high insulation factor and high impact strength along with the corrosion resistance benefits meant that the McCabe glands were the obvious substitutes for heavy metal components when the question arose of reducing the weight of the Australian patrol boats.

At a time when Upper Hutt is being particularly badly hit by company closures and restructurings, a series of new product developments and orders such as the Australian one, have meant that McCabe Industries has put its 39 staff on a 24-hour production cycle for five days a week.

The company has extended its trading to the Philippines and the United States for toys and consumer products such as film reel components.

Within the plastics industry, McCabe Industries has earned a reputation for im-

plementing a drastic reduction on custom moulding commitments and branching out into its own brands and products — thus having a far greater measure of control over its own progress.

Three years ago managing-director Neil McCabe decided that his firm had become overcommitted to custom moulding and he quickly diversified into his own products, hiring Auckland plastics good marketing specialist Malcolm Mitchell to lead the diversification and sales drive.



Neil McCabe (right) checks out cable gripping component with Malcolm Mitchell

It's not just the style...

... it's the extra services

When you join Diners Club your card becomes the key to privileges beyond those offered by mere credit cards.

Consider these:

Charge any travel to your Diners Club account and your trip includes \$75,000 Personal Accident Insurance, free. Moreover, you may enrol for additional \$200,000 Third Insurance at token cost. And of course, you have access to the Comprehensive Travel Insurance at remarkably low Club rates.

Overseas, your Card means access to emergency cash. In New Zealand it automatically qualifies you for personal loans.

For your home there are exclusive offers, including crystal, fine leather and artworks. To protect them, there's the Home Contents Insurance, again at favoured rates.

Diners Club publishes *Signature*, the country's most entertaining executive magazine. And there are members-only lounges in mid-city Auckland, Wellington and Christchurch.

With services such as these, Diners Club is way ahead of the crowd.

Not everyone can join, but if our style suits your style, apply now. You'll find application forms wherever you see this stand or the 'Welcome' sign. Or ask a member-friend to refer you.

Diners Club (NZ) Limited  
P.O. Box 1533, Auckland  
Phone: 792-450

3613 912619 0002

T-A SMITH

71 DC RD 03/80 03/81

DINERS CLUB  
The Obvious Choice

## Meet the 'Yes Men' of I.B.F.

International Business Forms Ltd. (I.B.F.) is a company that has been successful in providing a wide range of business forms and documents to its customers. The company's success is due to its commitment to quality and its ability to meet the needs of its customers.

The company's products include a wide range of business forms, including invoices, orders, contracts, and many others. The company's commitment to quality is reflected in its ISO 9001 certification.

The company's success is due to its commitment to quality and its ability to meet the needs of its customers.

## IBF INTERNATIONAL BUSINESS FORMS LTD.

Head Office: 100, Victoria Road, Glen Eden, Auckland.  
Phone: 011 4394.  
Wellington: P.O. Box 13043.  
Phone: 745-288.

## RETURN AS SOON AS POSSIBLE

Take advantage of our real price design service with no time delivery by returning this coupon to:

I.B.F. LTD., PO BOX 20-142 GLEN EDEN, AUCKLAND.

NAME .....

COMPANY .....

ADDRESS .....

PHONE .....

INTERNATIONAL BUSINESS FORMS LTD

AV 88



# Mahogany row loses awe-inspiring desks

by Peter Isaacs

THE awe-inspiring desk that has been the centrepiece of mahogany row for so long has become the dinosaur of the office equipment scene.

"Nowadays executives seem to be going for tables rather than large desks," said Russ Walker, furnishing manager of Zip Industries. "The trend is for conversation areas."

The big desk concept gained popularity in New

Zealand 10 years ago under vigorous promotion by management guru John Warchum. In his books Warchum likened it to an "altar" behind which the executive could exert an almost mystical power over anyone on the other side.

"You still find large desks," said Walker, "but there is almost always a separate area for conversation."

Gary Couchman of Ark Associates, a leading office design group, said an execu-

tive-size desk is now paired by a "low seating area" for conversation.

There is a strong trend for firms in the creative field — such as advertising agencies — to abandon desks altogether. Some companies now have small desks that fold into the wall when not in use. The executive perches on a high stool and works on the fold-away schoolchild-size desk.

The emphasis, Couchman stressed, is away from the

desk, toward the low-lying "discussion area".

But, "authority figures" — those with responsibility — still prefer to preside behind a large desk.

The shrinking desk reflects the growing surface informality of business and the shift of top management toward their true roles as policy implementers. Paperwork is being pushed down to the computer room.

A regular computer digest

of the main points of information has replaced reams of manila files and loose leaf binders.

Managers have become more people-oriented, and devote more time to talk and discussion.

Massey University business procedures and marketing specialist C W Maughan said "it is now considered bad manners for a manager to remain seated behind a desk when addressing visitors."

Maughan said information now plays a pre-eminent part in executive success. "Managers want to remove any possible barrier to the free-flow of information, which they might have to take a decision. The desk represents a barrier."

The old-style manager used to take a not-so-subtle job of retreating behind the desk, the manager often preferring to do business as if it was a club.

The emphasis is on the team and it is no longer possible to get a united team approach. One senior manager said, even doubted the worth of his desk as a hire/fire pop.

The interrogation-style interview days are gone. The top-flight job applicant is as anxious to find out about you, as you are about them. They cannot be considered an applicant begging for a job.

The giant desk, often with leather, enjoyed a brief popularity in the late 60s. Then, the Power Game was strong. A battery of phones, alongside a portable-sized desk was the hub of managerial authority and decision making.

The swift shift to mobile partitioned offices and open-plan killed it off. The desk — some weighed as much as a small car — were too heavy to shift around. Many of the were chain-sawed apart and thrown out the tip.

The demise of the "altar" desk gave way to a new era. There is now a move back toward a desk as an expression of individuality.

Corporate lawyer John Watts works at an intimate replica of the desk. Napoleon carried around with him on his campaigns. In the original, the desk folded and can be carried about with ease.

The furnishings part of the office equipment industry remains hazy.

Office construction programmes in Wellington and Auckland have created a lot of space that must be furnished.

Older buildings such as Wellington's Commercial Travellers Club, have been refurbished and need to be re-equipped with modern furniture.

Changing fashion patterns have created a planned obsolescence. An open plan might have been attractive a few years ago but now it begins to look dated. Occupants do not have the territorial pride they once had in their old personal offices.

"In the old days a desk would be used for generations and become more and more of a grown old and manual commented one administration manager."

"The new smaller, more varied variety begin to show their age much more quickly."

Available from New Zealand's leading COM Company.



**MICROFILE**  
A DIVISION OF CHALLENGE CORPORATION LTD.

REVOLUTION? or EVOLUTION?

with

**IBM**

WORD PROCESSING  
the choice is yours

# Government freebees clutter up prime time

by Warren Berryman

TELEVISION

New Zealand's biggest growth area since the service was restructured last February has been in Government and quasi-Government advertising time.

While private companies pay increased rates for television advertising time, TVNZ is handing out more free time to Government agencies, often to the detriment of private enterprise.

Private companies are locked out of prime time ad spots by reason of overfull schedules while Government agencies are filling prime time slots.

An analysis of comparative advertising time from the latter TV analysis shows the growth of governmental advertising.

The month of April 1979 (pre-TVNZ) compared with April 1980, shows that advertising time values for the Government-owned Listener were up 110 per cent; TVNZ Community Service ads up 40 per cent; Health Department ads up 306 per cent; total national ads (charitable appeals) up 201 per cent; total Government department ads up 92 per cent.

In many cases Government and quasi-Government department ads are used as fillers in addition to the available 10 minutes in the hour advertising time.

These companies pay top prices for TV advertising but find the effectiveness of their ads reduced by the increased clutter.

When TVNZ came into existence, BCNZ chairman Ian Cross insisted on regular clock hour slots and common junctions for programmes on both channels, so viewers could switch channels at the beginning and ends of programmes.

But programmes do not always fit neatly into hour or half-hour time slots when 10 minutes in the hour is allowed for advertising. When gaps occur, TVNZ uses fillers.

Network One has regional breakouts — which must all be equally filled with different ads, to run at the same time from different broadcasting points. When one region cannot fill its schedule fillers are used.

Under the old system, South Pacific Television used to reward its loyal paying advertisers with "freebees" — running their ads free of charge to fill the gaps. Now the freebees go to the Government.

TVNZ must keep commercial time to 20 minutes in two hours or lower.

But there are no regulations on non-commercial fillers. The advertisers paying for an ad in a programme with a big gap at the end can find their ad lost in the clutter, as the viewing public tires of advice on how to avoid drowning, wrecking their health with cigarettes or booze, or pranging their cars on the road.

Cigarette companies, however, and winemakers pay for their advertising in the

print media — and then pay again with a TV licence to watch Government agencies tell the public not to drink or smoke.

Private enterprise competes with the Government-owned bodies in many spheres of commercial activity. Private trucks compete with the Government's Railways,

private radio competes with Radio New Zealand, finance companies vie with Government for investors' funds, and so on.

Some Government agencies pay TVNZ for at least some of their advertising. How much advertising is dished out by TVNZ to Government agencies as freebees is not known.

Private companies no longer get freebees. And the amount of filler ads needed has increased — not diminished — under the new TVNZ system.

The 92 per cent increase in the value of advertising time filled by Government departments cannot be explained in terms of increased advertising rates. It is unlikely that Government departments have increased their ad budgets by three to four times the amount of the increase in private sector budgets.

Paid for or not, these additional ads do fill the slots and make the new system appear to be working well.

The Auckland Star is running a big TV ad campaign to boost circulation — on the same TVNZ that gives freebees to its competitor, the Listener.

During April, total ads for the Listener on TVNZ would have been worth \$109,553 had the Listener paid for them which it did not.

The Listener owes about half its leadership to its monopoly on publishing week TV guides.

The additional boost from Government-subsidised advertising does not make private publishers very happy.

March 31 was the first day of commercial transmission for TVNZ. The Listener had eight ads on Network One in Auckland and Wellington that day, one of them in the highly-rated programme, *Minder*.

And what was the *Listener* asked to publicise? Well, that isn't the point of this story.



Ian Cross regular starts.

The same day, a total of 26 Government or quasi-Government freebees were shown on Network One in Wellington and Auckland. These ads ranged from Radio New Zealand commercials to blarney from the Ministry of Energy.

Some of them filled commercially desirable slots in high rated prime time programmes.

If they can't buy these slots themselves advertisers would like to see these slots used for promoting programmes in which they have paid for ads.

Rather than a freebie of Government propaganda Network One might serve TVNZ's advertisers better if it made viewers aware of a good programme coming up on Network Two.

RECEIVED TO  
BURTON ST.  
MILK ROOM  
POK NO

**BLUE SKYS ADVERTISING LTD,**  
259 PARNELL RD,  
P.O. BOX 359,  
AUCKLAND.

AKAI, POLYCELL, REINZ, BUTLER, 3M, PZ, HOGG ROBINSON, PAYKEL, MAINZEAL, SANFORDS, MASKELL, NZ SAFETY.

We'd like our clients and friends to know we've moved to Burton Street. The last street on the right off Grafton Road just before Khyber Pass. It was once the Certified Concrete building. Now it's a certified Advertising Agency. You can still reach us on 795-313; also, the box number stays the same.

To our clients we say thank you for pushing us. Without you we might still be just another Parnell Ad Agency.

ADVERTISING MARKETING PUBLIC RELATIONS



## Motel case tests resident site licence rights

by John Mullinder

WHILE mining companies are rushing to rediscover gold in the Coromandel, a legacy of last century's gold fever is at issue in a Hamilton court-room.

If Hauraki Maoris win the test case, hundreds of people on the peninsula will be affected and the Government could face a massive compensation bill.

The case has its origins in the 1860s, when thousands flocked to the Coromandel in search of gold. Their way was eased considerably by Crown negotiations for access to Marutauhu land.

"The Maoris were more or less bribed," says Thames historian Alistair Isdale, citing the case of one miner who trespassed on non-negotiated land and got into a fight with the owner's sons. The miner was fined \$2 with the option of a month's imprisonment; the

IT'S an ideal setting for a motel — three hours' drive from Auckland with beautiful views of the Hauraki Gulf and ready access to Coromandel beaches and bush.

Local businessman Ben Candy and builder Keith Morrison saw the possibilities in 1973 and invested.

Today the Anglers' Lodge at Amodeo Bay, 20 kilometres north of Coromandel township, is a four-star motel charging \$23 a night for a bed.

But the Marutauhu Maoris have tried to block Candy and Morrison at every step — first through the Town and Country Planning Act, then by serving writs on three Government departments (Mines, Lands and Survey, and Justice) with Candy and Morrison as second defendants.

The case is now before Mr Justice Grieg in the Hamilton High Court. A reserved decision is expected any day.

The Marutauhu claim that Candy and Morrison's motel complex lies on land ceded to the Crown for gold-mining purposes

was fined \$10 each or two months' jail.

Unable to meet the fine and with the prospect of his sons being taken to Auckland, the owner approached the civil Commissioner for Hauraki, James Mackay, and asked for a loan. Mackay agreed, but stipulated that the money was to be regarded as an advance

on miners' rights for the land.

It was the thin end of the wedge.

As gold fever mounted Mackay negotiated access to more and more land. Several hundred square kilometres were ceded to the Crown "for gold-mining purposes".

Some of the land was used

poses 113 years ago. The land, they say, has never been used for gold-mining. And the resident site licences (RSL) on the site were wrongfully issued; the owners weren't consulted, the licences weren't current, and the licencees didn't have the necessary miner's right.

The Anglers' Lodge case brings into question the RSL system and has implications for all licence-holders in the Coromandel. Are their licences valid and are they validly held? Do RSL holders have legal access across ceded land to their sites? And what authority does the licence-holder have to occupy a greater area than that stated in the licence? Does any licencee have the right of transfer or assignment to a person who in no way uses, or intends to use, such a site for mining purposes? Who owns the improvements?

It's to these questions that Mr Justice Grieg is now addressing himself. The Marutauhu are waiting. They've been waiting a long time.

for gold-mining. Some wasn't.

Often the rock was not of the gold-yielding kind.

The "natives", as the newspapers of the time called them, did get something for the use of their land. They received rents on sections in the hastily-constructed boom towns, and for a miner's right the local tribe generally

received annual payment for one pound per digger.

Each prospector was allowed to mine up to a seventh of a hectare; frequently diggers extended the area of their claim by working in parties. For another 15 shillings a year (for 42 years) the miner could peg out land near his claim and erect a dwelling on it.

Those were called resident site licences (RSLs).

Today the ceded land is Maori freehold but still under the jurisdiction of the Crown for mining purposes. And dotted on Maori land around the peninsula are about 50 resident site licences.

In many cases permanent homes of considerable value stand on the sites, a far cry from the miners' shacks of the 1860s.

The licences can be renewed for up to \$2 a year.

"That's peanuts," says Hauraki elder Shu Tukalo. "We want our land back. For the Crown to keep it for gold-mining purposes is a manifest injustice."

To remedy that injustice the Marutauhu petitioned the Government 11 years ago. Submissions have been made to select committees, meetings held with Ministers, negotiations begun with the Department of Lands and Survey, and a letter written to the Prime Minister. Finally, the owners pushed a test case to the High Court.

The Marutauhu do not want to evict people from their homes. They do, however, want compensation for their loss.

The solicitor acting for the Maoris, Fin Phillips, claims that under the old mining legislation there would have been grounds for the RSLs to be declared null and void since they weren't being used for the purpose of the deed (gold-mining).

But mining legislation has been amended many times since those feverish days and the licencees have been registered in the Lands and Deeds Office where all titles are held and guaranteed by the State.

The Department of Land and Survey is trying to get the licence-holders to surrender their RSLs. With limited success.

One Thames moteller who has licences for three unoccupied sites refuses to hand them over; they provide a scenic backdrop to his motel. There was, according to Phillips, some suggestion of the licencees being taken under the Public Works Act.

"The Crown is caught in the middle," says Bryce Briffault of the Department of Land and Survey, Hamilton.

"We can only buy from a willing seller. Of the 10 sites without dwellers on them, the Crown's bought three, others are under negotiation."

Asked about using the Public Works Act Briffault replied: "Yes, but is it a public work?"

The occupied sites, some with dwellings worth many thousands, pose a far greater problem because of the need to determine who in fact owns the improvements: the landowners, the Crown, or the licencees. This is why the owners have gone to court and why the issue has taken so long to resolve.

Initially the owners agreed to accept the unimproved value of the land but changed their minds when they saw one or two motels which had a change of mind which has been interpreted by some as an attempt to get more in compensation.

Not so, according to the owners. They reason that if they decided they have to pay for the improvements then they're going to cost them far more, and take far longer, to get their land back. Better to get in and settle now.

## Galbraith sees economics not as immutable laws

by Gordon McLauchlan

JOHN Kenneth Galbraith is that remarkable combination — economic thinker and fine prose stylist. The one talent seems normally to exclude the other.

He takes great pride in this ability of his, to the point where he does it in his latest, *Annals of an Abiding Liberal*.

In his witty way, in a chapter entitled "Writing and Typing", Galbraith attacks the social jargon-mongers of the "business", referring to "the peculiar pitfalls for the writer who is dealing with presumably difficult or technical matters."

Economics is no exception, and within the field of economics the subject of which I have been much concerned, is an especially good case.

"Any specialist who ventures to write on money with a view to making himself intelligible to the general reader is a fool. He will be accused of over-simplification."

The charge will be made by his fellow professionals, however obtuse or incompetent, and it will have a sympathetic hearing from the laity. That is because no layman really expects to understand about money, inflation or the International Monetary Fund. If he does, he expects that he is being misled. Only someone who is deeply confusing can be repeated.

In the case of economics there are no important propositions that cannot, in fact, be stated in plain language.

Complexity and obscurity have professional value; they are the academic equivalents of apprenticeship rules in the building trades. They exclude the outsiders, keep down the competition, preserve the image of a privileged or priestly class. The man who makes things clear is a scab. He is criticised less for his clarity than for his meanness.

Beautiful stuff. So often we feel like leaping out of the chair while reading this kind of writing. "Stick it up 'em, John K!"

*Annals of an Abiding Liberal* is a collection of his more recent essays in which he elegantly paints pictures of modern political, economic and social life in the United States. But it has a striking relevance to New Zealand because he always sees economics not as a set of immutable laws to be disobeyed at society's peril but simply as a way of organising the use and distribution of resources.

The first chapter, "The valid image of the modern economy", will strike New Zealanders like a revelation. He sets out to "provide a comprehensive and integrated view of the principal problems of economic management in our time", offering an alternative picture of the structure of modern economic society.

Well, it is quite extraordinary how he then describes the sort of problems about which New Zealand is making decisions at the present time.

We have just made our collective mind up to switch over to a consumer-orientated economy — with what I feel is an anachronistic trend towards the old *laissez faire* position, based on the assumption that the consumer should be allowed to dictate terms to business, not by changing the rules but by abolishing them. Well, read

some of these extracts...

• "Economists are avid searchers for new information, eager in their discussion of the conclusions to be drawn. But nearly all this information is then fitted into a fixed, unchanging view of the role of business firms, markets, labour relations, consumer behaviour, and the economic role of the government. It is not an accident that economists who see their subject in evolutionary terms are a minority in the profession."

• "To say that the firm is subordinate to the market is to say that it submits to prices that it does not control and that it submits, ultimately, to the will of the consumer. Decision originates with the consumer, and this decision, expressed through the market, is sovereign..."

"In one exception, the firm has influence over prices and output: that is the case of monopoly or oligopoly, or their counterparts, in the purchase of materials and components, products for resale or of labour..."

There, that's just a taste to draw you on. It seems to me that anyone thinking about the shape of New Zealand's future couldn't help being enlightened and influenced by this fine essay.

• "The modern large corporation has extensive influence over its prices and over its costs."

• "In its fully developed form, the corporation, as

modern corporate enterprise...

"The valid image of the economic system is not, in fact, of a single competitive and entrepreneurial system. It is of a double or bimodal system. The two parts are very different in structure but roughly equal in aggregate product..."

There, that's just a taste to draw you on. It seems to me that anyone thinking about the shape of New Zealand's future couldn't help being enlightened and influenced by this fine essay.

• "The modern large corporation has extensive influence over its prices and over its costs."

• "In its fully developed form, the corporation, as

others have emphasised,

removes power from the ownership interest, the traditional locus of capitalist authority. No director of General Motors, Exxon or IBM who is not a member of management... has an effective influence on company operations..."

There, that's just a taste to draw you on. It seems to me that anyone thinking about the shape of New Zealand's future couldn't help being enlightened and influenced by this fine essay.

• "The modern large corporation has extensive influence over its prices and over its costs."

• "In its fully developed form, the corporation, as

security rating, called "My

forty years with the FBI", and he touches lightly but intelligently on such diverse subjects as "The higher economic purpose of women", "What comes after General Motors", "The multi-national corporation: how to put your worst foot forward or in your mouth", "Evelyn Waugh", "Anthony Trollope", "John Dean, ambition and the White House", "RN: the memoirs of Richard Nixon".

Galbraith has to be one of the most perceptive observers of the current scene writing today. He is perhaps the modern equivalent of the long-ago English Man of Letters. He certainly wrote well enough.

"We would all prefer DB lager — thanks."

Today's great drink.

The premium lager.

The House of Dunhill proudly presents a new standard of excellence in mild smoking

Dunhill Superior Mild International

The most distinguished tobacco house in the world.



# Graham: tougher times herald in new awareness

by Rae Mazengarb

A PRODUCT of the Depression years, David Graham — recently appointed general manager of Union Maritime Services Limited and chairman of Enterprise New Zealand — recalls his father securing his first job after a long period of unemployment.

It would be difficult to imagine Graham on the outer. He has surfaced as a successful young executive during a career fraught with takeovers, industrial problems, and all the problems stemming from the advent of new technology. An acquaintance once described him as "the sort of bloke who would look appropriate in a photograph of any board in the country".

He is an extrovert and an entrepreneur — pro-New Zealand and pro-private enterprise.

A business colleague describes him as a good negotiator and — like the company he joined in his youth — strongly disciplined, with a clear sense of what is moral.

He has definite ideas on most subjects — enthusiastic almost to the point that he is apt to get carried away when discussing "pet" topics. But he is a good listener, an associate confidant.

Some might see him as a little too "straight", but those who know him say he is genuine and personable.

"I grew up in a time when we were taught to work hard — on honest day's work for an honest day's pay," he said.

Paramount to Graham's outlook is the concept of freedom.

"A free society," means to Graham: "The things that I've enjoyed... freedom of choice... what to buy, freedom to worship — who, when and for whatever reason. I fear these things are being gradually eroded."

On the international scene, he sees the growth of "Communist nations and philosophies that deny these things". Much closer to home, he is concerned at the growth of the bureaucracy and the public sector and its intrusion into the lives of individuals.

Not surprisingly, Graham was a willing signer for a programme like Enterprise New Zealand.

"It's becoming a catch-ery," he said. Even the Labour Party was talking about it.

But the time had come to bring together all the people who were "glibly" musing the sentiments, he said, referring to the forthcoming convention in Auckland.

"We hope to see some strong and united views."

He believes there is a new awareness in today's society that has sprung from tighter economic times.

"In the period just past young people didn't need qualifications... didn't fully appreciate their jobs."

Some might argue this could still be the case, but Graham doesn't agree.

"Today we're all beginning to realise that no one owes us a living — it applies to governments too," he said.

Like individuals, governments cannot keep borrowing and living beyond their means.

"It appalls me to see we're



David Graham... a clear sense of what is moral

borrowing large sums to fund non-profit enterprises. We over-emphasise the need to provide social services. It's not good enough for university students to say no cuts... emphasis has to be on the productive sector," he said.

Yet he describes himself as "very much a liberal".

"I believe in welfare... but it must be within our means."

Born in 1928 in Wellington, Graham has spent most of his life in the capital.

His grandfather — a carpenter — had arrived in New Zealand from Scotland and established a small family business in the city manufacturing furniture.

His father, and now his younger brother, opted to carry on in the family company, but Graham's earliest desire was to go to sea.

At the age of 19 he joined the shipping company he still serves. (Had he not been too young for the navy during World War II, he might have made that his career.)

He says his eight years at sea as a purser between 1947 and 1954 taught him one major thing more valuable than any amount of schooling — tolerance.

For the next 10 years he held the position of manager of Pacific Island branches, including Cook Islands, Western Samoa and Fiji.

In a situation where he was divorced from head office, Graham said he had to learn how to make prompt decisions — and take risks.

"I also had to learn to understand working and living with another race," he said.

Since that time he has continued to return to those places where he says he still has many friends.

He returned to Wellington as local manager until 1972 when he was appointed manager of branches with responsibilities for the company's stevedoring division, including roll-on/roll-off terminals, and Offshore Oil Servicing.

Just before his present appointment — taken up this April — he held the position of general manager of the stevedoring and agencies division for the parent Union Steam Ship Company.

The trans-Tasman service has come in for its fair share of criticism, but Graham emphasised, there was nothing to stop anyone operating a service in competition with the Union firm.

He believes the operation is a successful one and is willing to take on anyone who argues that it is not keenly competitive.

In his years with the firm, he has seen plenty of change.

"I can vividly recall the manual operation of loading and unloading ships," he said. The end of each day saw "tired old men".

The drudgery has been eliminated by the use of mechanical equipment; the people employed are using new skills and talents.

New technology is not something to fear, Graham believes.

Not just on the waterfront, but in the administration area, it has released people from mundane and labourious work to more interesting tasks, he said.

A family man with four children and "a couple of grandchildren", Graham relaxes by reading or doing the garden — but that's when he takes time out from his other activities.

He is heavily involved with the New Zealand Chambers of Commerce, and is a director of both NZ Offshore Oil Services Ltd and NZ Commerce Ltd, an alternate representative on the Exports and Shipping Council, president of the New Zealand Stevedoring Employers' Association Inc, past president of Skid Club and the Rotary Club of Johnsonville, and an elder in the Presbyterian Church and more.

He is outspoken about the role of Government and the State, monopolies and protectionism.

"Government has to look closely at regulations which are too often gone into too quickly and restrict the ability of business to operate profitably," he said.

The rationale applied equally to local government.

He said he believed there was no need to set up the State-owned Petrocorp, "a role not for Government".

On the same tack, he has similar things to say about railways, system — and the airways. The private sector goes them going, then the State took over, Graham said.

But "private enterprise always had the vision".

"It's not original, but if you look through history, now and then you find an invention or a new idea from the state; all the enterprising people came from a free society — there's a message for us there, some where," he said.

Monopolies in the time sense are had in that they deny the consumer choice; but the term is often misused, Graham argues.

If it merely denotes big business, there is nothing to be afraid of.

"It's a circular thing," he says. Small businesses are those managed by people who tend to absorb other smaller businesses along the way.

Equally big businesses die — "like Mosgiel". Graham is firmly opposed to the Government buying Mosgiel out.

Protectionism has already gone too far, he suggests. Rather if trade unions are dedicated enough to want to save it, they should mount a national appeal.

A hard line, perhaps, but Graham insists he is committed to the role of trade unions. There is a definite place for them in the total free enterprise picture, he says.

# Free enterprisers push for economic freedom

by Rae Mazengarb

"PROFITABLE" business is not adverse to community interest, is the basis of our standard of living. Profits are not discreditable. "Lose" is the only dirty word."

That is what the pragmatic chief executive of Enterprise New Zealand, Jack Keavney regards as the meaning of "free enterprise".

Others see it in more philosophical terms, such as his unnamed writer's definition:

"Free enterprise... is a way of living in which you as an individual are important. Free enterprise is the right to open a grocery store or buy a farm or exchange your job if you don't like the man you work for..."

In this country, private enterprise is the cause being unabashedly pushed by Enterprise New Zealand.

Enterprise New Zealand — the Chambers of Commerce economic education programme — was set up in 1976 in response to concern voiced by a group of leading businessmen that there can be no freedom without economic freedom.

Dr Eva Odehual, director of a West German association of owner-entrepreneurs with 5000 company members, will deliver a paper on "the role of the entrepreneur and the smaller business".

Dr Harold Bell, former chief economist of the AMP Society, company director, author and commentator on Australian affairs, will centre on "Government economic policies and their influence on investment in the private sector".

Professor Myron Roubin, of Northwestern University, Chicago, writer and authority on unionism, collective bargaining and industrial relations in general, will speak on "US union attitudes, tactics and trends within a mixed economy".

Other subjects for discussion will include management responsibility, equity capital, productivity, and the free enterprise movement worldwide.

Emphasising the importance of the convention — tagged the "assembly of business" — Enterprise NZ chairman David Graham commented: "It's a pity it wasn't done two years ago."

Graham looks with disapproval at the growth of lobbies and trade associations in New Zealand. He says that they only weaken the united voice of business.

"Enterprise New Zealand is not within that category," he said, pointing out it had been a deliberate policy move to have the presidents of the major trade associations chairing each session.

"Business always needs a forum... to discuss what is in their joint interests," Graham said.

A Haylen Research Survey carried out for Enterprise New Zealand should help to stimulate the discussion.

merce executive vice-president Alan Simm called it "the most ambitious projects far under-taken by us".

This was not "just another conference", he said.

The purpose and role of enterprise in a mixed economy had never been the sole discussion point of a national convention before. And the power house of the economy — the private sector — had not previously been up for so much questioning, so much misrepresentation, so much threat from State influence, Simm said.

New Zealand faced critical decisions on the future role of the private sector, he said, and the timing of the convention — mid-term in the life of Parliament — had been deliberate.

A panel of members of Parliament will discuss the role of Government in a mixed economy; the trade union movement has agreed to contribute; and the presidents from five individual national business organisations will chair sessions.

Several overseas speakers will contribute papers, and prominent New Zealanders will provide "hard facts" on the nation's economy.

Dr Eva Odehual, director of a West German association of owner-entrepreneurs with 5000 company members, will deliver a paper on "the role of the entrepreneur and the smaller business".

Dr Harold Bell, former chief economist of the AMP Society, company director, author and commentator on Australian affairs, will centre on "Government economic policies and their influence on investment in the private sector".

Professor Myron Roubin, of Northwestern University, Chicago, writer and authority on unionism, collective bargaining and industrial relations in general, will speak on "US union attitudes, tactics and trends within a mixed economy".

Other subjects for discussion will include management responsibility, equity capital, productivity, and the free enterprise movement worldwide.

Emphasising the importance of the convention — tagged the "assembly of business" — Enterprise NZ chairman David Graham commented: "It's a pity it wasn't done two years ago."

Graham looks with disapproval at the growth of lobbies and trade associations in New Zealand. He says that they only weaken the united voice of business.

"Enterprise New Zealand is not within that category," he said, pointing out it had been a deliberate policy move to have the presidents of the major trade associations chairing each session.

"Business always needs a forum... to discuss what is in their joint interests," Graham said.

A Haylen Research Survey carried out for Enterprise New Zealand should help to stimulate the discussion.

Enterprise New Zealand will hold a convention in Auckland from June 19 to 21 to examine and discuss the future role of the private sector of the economy. Chairing sessions will be the presidents of five national business organisations representing manufacturing, retailing, employers, company directors and business people in general.

The 1980 survey results have not been made public, but are not expected to be any better than those of a similar survey in 1979 which earned the title "loss of productive capability". It related to the erosion of the capital base of business — something which Enterprise New Zealand said "had been going on for some time".

The 163 surveyed companies suffered a loss of \$462,000 in funds available for expansion, the 1979 survey revealed.

The broader questions of what is happening to New Zealand business and where does the fault lie will be examined in Auckland this month.

If present trends continue, Enterprise New Zealand predicts the consequences will include:

• Loss of competition in the marketplace and a worsening situation for the consumer.

• Failure of small businesses; or

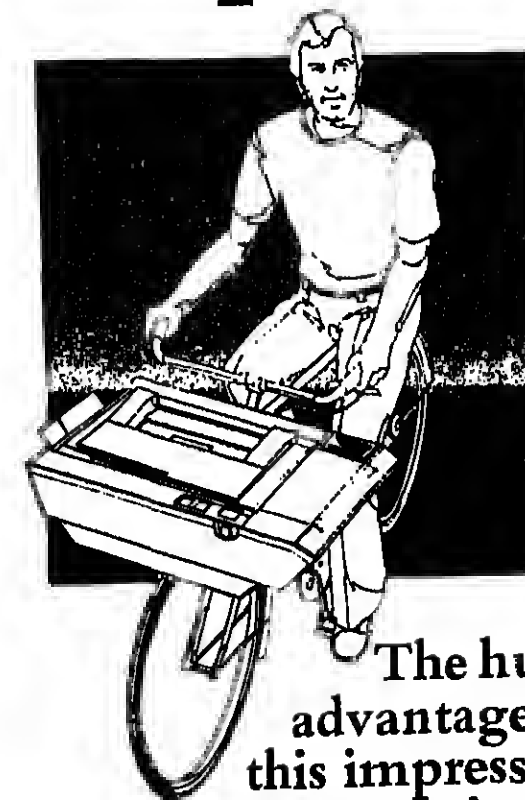
• Cancellation of monopolies through forced merger, takeover or sale;

• Loss of jobs and job opportunities, inability to invest as businesses opt for survival.

While the ordinary bloke — if there is such a being — could suggest these features are already evident, convention organisers are looking to stem the tide.

## XEROX 2300

### You'll find a little spot for it.



The huge advantage of this impressive new Xerox copier... is that it's really tiny.

But, it's faster and more versatile than some bigger copiers: You get your first copy in just 6 seconds. You can copy from bound volumes — or onto mailing labels, transparencies and different sized paper without changing the paper tray. Everything from A5 right up to 257mm x 364mm (10-1/2" x 14-3/8"), allowing documents up to B4 size to be copied. It's as reliable as a big Xerox copier, which is as reliable as you can get. It's also the least expensive new Xerox copier you can get. The Xerox 2300. Impressive for its size.

**RANK XEROX®**

Setting the Standards.

\* Rank Xerox and Xerox are registered trademarks of Rank Xerox (N.Z.) Limited

## Riverview Estate

**BUILDINGS FOR LEASE AND/OR SALE IN THIS INDUSTRIAL ESTATE SITUATED IN MT. WELLINGTON AUCKLAND ARE BEING DEVELOPED BY**

**MAYFAIR DEVELOPMENTS LIMITED  
P.O. BOX 9242, NEWMARKET -  
PHONE 500-099**

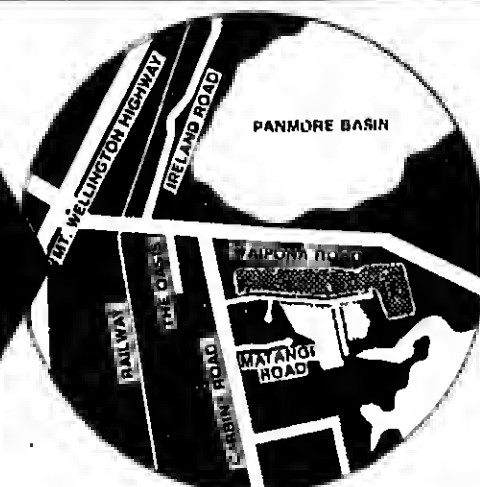
**ZONING:**  
Zoned Industrial 'B' under the Operative District Scheme Plan for the Mount Wellington Borough. Provides for a wide range of potential warehouse and manufacturing activities.

Riverview Industrial Estate contains an area of approximately 6.8 hectares (17 acres) of land which has been zoned for industrial use and will be developed in stages over the next few years to provide a fully serviced industrial estate.

**Sole Agents:**

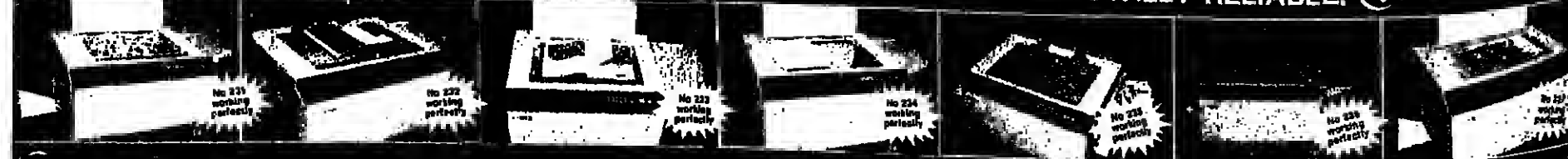
**Wendell & Associates**

Phone 500.099 or write P.O. Box 9473 Newmarket Auckland.



**LOCATION:**  
Within the highly popular Mount Wellington Industrial Area and is within a short distance of an on/off access ramp to Auckland's Southern Motorway. Suburbs to the city centre, the North Shore, and other areas are therefore easily and conveniently reached. The estate has a substantial residential population handy to the large population centres of Panmure and Pakuranga. Adequate labour is therefore available within the area for most industrial users.

THE AWARD-WINNING U-BIX V PLAIN PAPER COPIER IS TOTALLY RELIABLE.



OTCU-Bix Sales enquiries: Auckland Tel. 766-119, P.O. Box 75. • OTCU-Bix Sales enquiries: Wellington Tel. 663-784, P.O. Box 30649. • OTCU-Bix sales enquiries: Christchurch Tel. 65-733, P.O. Box 8346.

THE AWARD-WINNING U-BIX V PLAIN PAPER COPIER IS TOTALLY RELIABLE.



OTCU-Bix Sales enquiries: Auckland Tel. 766-119, P.O. Box 75. • OTCU-Bix Sales enquiries: Wellington Tel. 663-784, P.O. Box 30649. • OTCU-Bix sales enquiries: Christchurch Tel. 65-733, P.O. Box 8346.



# Why those "mature" public servants in twin sets

by Jim Hopkins

CHILLED by Wellington's ill wind, more than 30 picketers (and placards) stood resolute on the steps of the Reserve Bank Building, headquarters of their employer, the State Services Commission, on the afternoon of May 30.

It was the first time public servants had actually picketed the offices of the SSC (at least, as far as PSA officials could remember.)

The shock troops weren't hairy-palmed wreckers or demonic minions of the SUP, hellbent on destroying democracy.

They were — as an observer described them — "little old ladies in twinsets and pearls and sensible shoes".

Staff of the National Film Library, they spend most of their time supplying films to schools and other cinemaphiles. On May 30, they

were on strike — and picketing.

The "little old ladies" tag is not exactly true, but it's more right than wrong. About 75 per cent of the National Film Library's staff are women (that's their estimate) and many are, as one put it, if not middle aged, then "mature, that sounds nicer".

To understand why the staff of the film library — with some allies from the Correspondence School — were on the

steps of the Reserve Bank, it is necessary to go back to June 1979. That was when film library staff asked the State Services Commission to "review" their "classification and grading".

The significance of this must be extracted from the knotted phrases of the State Services Act, 1962.

Section 43 of the Act requires the commission to place each public servant in an "occupational class" (for ex-

ample, clerical executive, seed analysis officer, office and general assistant) and give each a "grade" (a position on the income scale).

Section 44 further decrees that the commission (once it has classified and graded every public servant) must continuously review "the classification and grading of the Public Service". In other words, run a non-stop double check on its own tags, brands and labels.

Last year, film library staff in Auckland, Wellington, and Christchurch sought just such a double check for everyone on the library staff, irrespective of their occupational class or grade.

Forty-four public servants were involved — the total number of people employed by the film library nationwide. Such an omnibus request clearly is tantamount to a pay claim. And PSA officials who took the request to the commission concede it was "a *de facto* pay claim".

The commission does not. Pay claims, the SSC says, are covered in another section of another Act — Section 23 of the State Service Conditions of Employment Act, 1977.

They also say that pay claims must cover all public servants in an occupational class, not just some of them (which means that to get a pay increase for, say, 10 clerical executives at the film library, the PSA would need to prevent a case for increases for all the 20,433 clerical executives in the Public Service. And win. Complex it may seem, but that's the rules.)

So, when the "de facto" pay claim arrived at the commission's door, it suddenly became "a reminder".

Assistant commissioner David Swallow says: "The PSA took action on behalf of a number of individuals, to remind the commission of its obligation to ensure positions are correctly graded."

The reminder, says Swallow, was not inappropriate. "Action was requested and action was taken. Our inspectors went hither and yon. They made their investigations and reached certain conclusions."

Those investigations did not compare National Film librarians with Television New Zealand's film librarians, (who do similar work but are paid about 30 per cent more.) The reason, says Swallow, is that television's film librarians are not in law, public servants.

They're part of the larger group of state servants, covered by a different Act. So they're not in the same occupational class as National Film librarians. And so they could not be compared.

In the end, the film library staff rejected the commission's review based on its inspectors' investigations. And they rejected subsequent "modifications" and "further appraisals".

One month ago, they decided to work to rule. They're still working to rule.

Nancy Williams is the PSA delegate at the film library's head office in Wellington. She has worked there for 13 years, been delegate for three.

She allows that she's "mature", but says that "we're all mature in our thinking as well as our age. Even the young ones have a very mature attitude. They take their job seriously."

Williams is an office and general assistant. She is paid \$8600.

She doesn't think anyone at the film library would describe themselves as *overpaid*, but points out that the staff are responsible for the collection, care, maintenance and distribution of \$28 million worth of films, including rare and historic archive material.

She says the film library is "a close-knit unit, it's a place where people feel really at home". And, of the strength of that, it's an unlikely place to find a picket line.

Williams says: "I would have imagined 12 months ago I'd be doing this. I doubt any of the staff would."

Even now, film librarians say they don't like working to rule. They say people depend on them. "We know there's probably got to be an end, waiting for the film to be ordered."

But they say it is necessary to show their "plight", make clear that the "services which have been given to the public and promptly over the year are being gradually eroded."

The staff said their library was "a unique asset" which had not been taken seriously.

They claim they have a career structure, no proper career paths.

They point out that the film library has an official allocation of 59 jobs, but that only 10 people are working there — a direct result, they argue, of Government's sinking ship policy.

They say they need new people, new equipment, and employers who will listen.

There was a lot of anger and frustration behind the request to the SSC for review of staff positions.

They call the commission's decisions "niggardly" and see the fact that "some get something and some get nothing" as an attempt to "divide and rule".

The SSC's response is that it has recommended pay increases for 48 library positions. Not all the jobs, but the ones that the PSA or its members wanted. But it has done what it saw things.

Result: stalemate.

One PSA official says the SSC would not accept mediation and would not have a referee.

Swallow says he "has no knowledge of any specific request for mediation", but if there was, the answer would be "no". It's not provided for in the Act, he says, and he sides, "there are statutory remedies available — where?"

# and pearls took up pickets against their employer



SSC headquarters... film librarians flexed their muscles

The most important of these is Section 45 of the State Services Act, 1962, which gives public servants the right to appeal individually (once every five years) their allotted place in the SSC's grand scheme of things.

Which simply means, says Swallow, that film librarians "have a right of redress. Individuals can apply (to the classification committee) for regrading relative to other individuals". And that, he says, is what they should be doing.

Not so, according to one PSA official, who claims Section 45 is "virtually wrecked". Last year, he says, an individual public servant went to the committee. His work load had doubled; he wanted to be regraded. But, says the PSA, the SSC argued that there were other public servants on the same grade, doing the same job, whose work load had also doubled; if just one man was regraded, relative value would be severely damaged.

The PSA claims the classification committee accepted this argument and threw out the appeal.

"It's Catch 22," says the PSA official. "The commission could use the same argument with people in the film library. Last year they said Section 45 was the wrong section to use in that particular case. We should use Section 44 and ask for a commission review. We're just going round and round in circles. Catch 22."

Swallow says he is "not aware of the case, or its relevance". He accepts that "diversity" is always a problem in these matters, but maintains that there are remedies available in the legislation, that Section 45 is one of them, and that the library staff should use it.

What's to be made of all this? According to the PSA: "Here are 44 people with a pretty justifiable grievance and it's turning into a silly little Balkans War. All because someone's sticking to the letter of an imperfectly drafted law."

But Swallow says: "We've discharged our obligation under Section 44. It's difficult to see how much further we can go. We can't legally do any more than we're entitled to do. We can't confer rights on individuals that the legislation doesn't give them."

For PSA officials, this is just "one example of the extremely primitive levels of

staff management in the state services. They haven't had an original thought on staff relations since 1951."

"Garbage: Union garbage!" says Swallow. "We have to operate in a legislative framework. Have the PSA made any representations for the law to be changed?"

Meanwhile, at the film library, the work to rule goes on. In Williams' room, 200 films are waiting to be checked and prepared for release. More are arriving every day.

Checking and preparing new films was a job Williams used to do to help out. During its review, the commission told her it was a job she shouldn't be doing. Now, she is not doing it. And there's no-one else available to do it, she says.

(There's a fine irony here. A strike in the public service is defined, in part, as "any number of employees... discontinuing the performance of their employment" or "reducing the normal performance of it". Since Williams normally checked and prepared new films, not doing so could mean she's on strike.)

In spite of the fact that she's been officially told it's a job she should never have done.)

The work to rule has had limited impact. Effectively, it has meant that schools are not getting films and teachers are getting upset. As one PSA official concedes, that's not likely to bring the country to its knees.

But it has had a big impact on the staff. "I'm very proud of them," says Williams. "I've had some divisions shattered during this. I think the members have, too. I wouldn't have expected some of the attitudes we've encountered."

To date, the film librarians have nothing concrete to show for their actions. The protracted work to rule has achieved nothing. The one-day strike means they'll lose one day's pay.

It also means that the Government can — if it chooses — call a compulsory conference to secure a settlement.

What has happened is that a small group of workers has made a decisive industrial move. Changed tactics, adopted militant strategies.

"We're not talking about hairy-handed drivers of the SUP," remarks a PSA official handling the dispute. "This is a handful of very conservative people. Many of them are middle aged. They're not one of our straggly groups. They're not archetypal strikers. But we haven't pushed them out the gate. What they've done have been their own moves. We haven't told them what to do. I think they're a symbol of the new industrial relations."

They're as big a symbol as Kinkaid. This wouldn't have happened five years ago. It's a sign of the deterioration in the industrial climate," the official said.

Swallow is more plegmatic. He's not sure this dispute is a sign of deteriorating climates. "I don't know if I would draw any conclusion. I'm not sure I'd want to."

For PSA officials, this is just "one example of the extremely primitive levels of

He says the librarians' action was out of character, but not surprising. In recent years he has watched numerous groups taking action "that might be described as uncharacteristic. To be surprised these days one would have to be naive."

Swallow says that, in his experience, public service groups have often chosen to "flex their muscles" instead of pursuing the "statutory remedies available".

But that doesn't explain why groups like the librarians have gone for muscle, not mouth power.

After 38 years of meek silence the library staff have decided that they must flex what muscles they have.

There is a significance in this, which arguments about statutory remedies cannot gain.

And perhaps there is a message for those politicians who regularly condemn

"union stand-over tactics": normally, docile groups appear to be concluding that if they don't stand over, they'll get stood on. Which must, in part, be a response to the managerial messages they're picking up.

Are those messages not clear enough? Are the workers hard of hearing? Or is somebody's indifference coming through loud and clear?

Any Government which

seeks industrial harmony and which urges unions to negotiate, not devastate should be concerned that in an area over which it has direct control a group of white-collar workers (however small) strikes, pickets and disrupts. If only because it means that Government has lost a passive ally and gained an active opponent. And because it means that 44 public servants now see things a little more *Tull Andersen's way*.

## Now leasing superior office space in the new National Bank Building.



### The National Bank Building 164-170 Hereford Street, Christchurch

Office space in this modern, new building is now available for occupation. Whole floors measure 665m<sup>2</sup> (7160 sq. ft) and part floors are available to suitable tenants.

Full air conditioning, carpet and curtains.

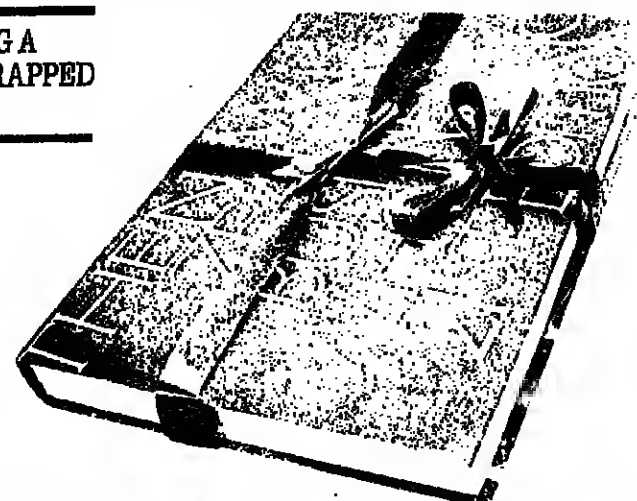
For full details of available space and terms of lease contact:

Mr G. Swan  
The National Bank of New Zealand Limited, Wellington.  
Phone: Wellington 729-459 collect.

**The National Bank**  
of New Zealand Limited

NB 149

## ANNOUNCING A SPECIAL GIFT WRAPPED OFFER



## Order The New Zealand Business Who's Who now... save \$5.00 and enjoy a special, ready-to-frame limited edition print

The 20th edition of *The New Zealand Business Who's Who* sold out completely early in 1980... and the brand-new, 21st edition will be available at the end of June.

With current paper supply problems and high pre-publication orders, only limited copies will be available on publication. Make sure of your copy of the 21st edition now... save \$5.00 on cost... and enjoy, completely free-of-charge, a special, ready-to-frame limited edition print as well.

After 21 editions and 41 years *The New Zealand Business Who's Who* is the most comprehensive business directory in New Zealand and is uniquely invaluable as the country's only one-stop business information service.

In the 21st edition there are 600 pages of up-to-date, detailed information about 10,500 companies and trading organisations operating in New Zealand. There has been a significant revision of 95 per

cent of all entries since the last edition. There are 1400 new companies listed. The mass of information gathered for *The New Zealand Business Who's Who* is channelled into a number of invaluable, cross referencing indexes. In the *Main*

Section all listed companies and organisations are set out alphabetically by area... the *Classified Business Index* classifies all companies by over 800 trade headings... in the *Buyers' Guide* three indexes alphabetically group product categories, brand names, agencies, and overseas principals and cross reference them back to the main section and other indexes... the *Index of Directors* alphabetically lists all directors of listed public and private companies... in the *Company Ownership Index* all subsidiaries and associated companies are referenced back to parent companies in the main section.

A new section, appearing for the first time in the 21st edition provides up-to-the-minute trade, import and export data about New

Zealand's major trading partners around the world.



This attractive, ready-to-frame limited edition print — "Kai Wara Wara Sawmill" (33.5cm x 24cm) by Samuel Charles Brees (circa 1843) is free when you order, and pay for, the 21st edition of *The New Zealand Business Who's Who*. Simply fill in and mail the coupon below.

N.Z. Business Who's Who  
P.O. Box 9344  
WELLINGTON

Please send me/us... copy/ies of the 21st edition of *The New Zealand Business Who's Who* at \$30.00 (plus \$2.00 postage per copy).

I/we understand that, in return for pre-publication payment, \$5.00 has been deducted from the published price of \$35.00 and I/we will receive the limited edition print "Kai Wara Wara Sawmill" by Samuel Charles Brees completely free of charge.

Please tick where appropriate  
☐ I/we am/are enclosing \$... in full payment  
☐ Please charge to:

Diners' Club No.

American Express Card No.

Visa Card No.

Bankcard No.

Expiry Date

Name/Name of Company

Address

Signature and position

REMEMBER: THE NEW ZEALAND BUSINESS WHO'S WHO IS TAX DEDUCTIBLE

THE AWARD-WINNING U-BIX V PLAIN PAPER COPIER IS TOTALLY RELIABLE.



OTC/Bix Sales enquiries: Auckland Tel. 766-119, P.O. Box 75. • OTC/Bix Sales enquiries: Wellington Tel. 663-784, P.O. Box 30649. • OTC/Bix sales enquiries: Christchurch Tel. 65-733, P.O. Box 8346.

THE AWARD-WINNING U-BIX V PLAIN PAPER COPIER IS TOTALLY RELIABLE.



OTC/Bix Sales enquiries: Auckland Tel. 766-119, P.O. Box 75. • OTC/Bix Sales enquiries: Wellington Tel. 663-784, P.O. Box 30649. • OTC/Bix sales enquiries: Christchurch Tel. 65-733, P.O. Box 8346.





## There's a 28 carat media opportunity dangling in front of your ears...

This year has already begun to provide bumper crop golden media opportunities. In the high profile metro centres, Auckland, Wellington, Christchurch, Hamilton and Dunedin, we've got the juiciest reach, frequency and audience figures going.

1ZB No. 1 in Auckland — delivers 317,000 people 10+  
2ZB No. 1 in Wellington — delivers 170,000 people 10+  
3ZB No. 1 in Christchurch — delivers 127,000 people 10+  
4ZB No. 1 in Dunedin — delivers 79,000 people 10+  
1ZH No. 1 in Hamilton — delivers 96,500 people 10+

Source BCNZ Feb-May 1980 Audience Survey — No. of Listeners Monday - Saturday.

Add these to the ZM group with fastest growing audiences in the country and the carrot gets pretty tantalising. (353,700 over the ZM group — Source BCNZ Feb-May Audience Survey No. of Listeners 10-30 years Monday to Saturday). And when you add

20 other top flight local market stations, the media opportunities are irresistible...

28 prime programme stations planted in every market nationwide. In the first B.C.N.Z. survey of the decade, Radio New Zealand stations top every poll in competitive markets.

If it's people you want, you won't buy better. Call your nearest Radio New Zealand Rep, he's got a whole bag of 28 carat media opportunities to dangle right in front of your ears!

Wellington: Aurora House, The Terrace, PO Box 2092, Phone 721-777  
Direct Lines 725-675, 725-676, 725-677, Telegraphic Address Radionet Telex 31031  
Auckland: Norwich Union Building, Durham Street, Phone 778-850  
Christchurch: Kent House, Cnr Durham and Chester Streets, Phone 799-600

## Plus seven new ways to serve it!

Just because we've got the juiciest media profile doesn't mean you have to have it here every day in day out.

Every media opportunity you take is a chance of probably having countless ways to keep it fresh, alive and different.

Added to our No. 1 audience profile

is a unique group of services that can give the effectiveness of your ads.

**BROADCAST MARKETING BUREAU...** provides a complete co-op radio service from inception right through the selling and administration cycle. We'll

gladly illustrate case studies that show how co-op service can double your client's budget.

**RURAL NETWORK & PROGRAMMES...** custom marketing packages aimed directly at your audience. Give us an objective and a budget figure and we'll show you how to get the best for your client without getting your feet dirty.

**AUDIENCE RESEARCH ADVISORY SERVICE...** we'll help analyse your schedules and we'll back our proposals with computer proven facts!

**NETWORK NEWS AND SPORTS...** spearhead your campaign and send it out with the world's action —

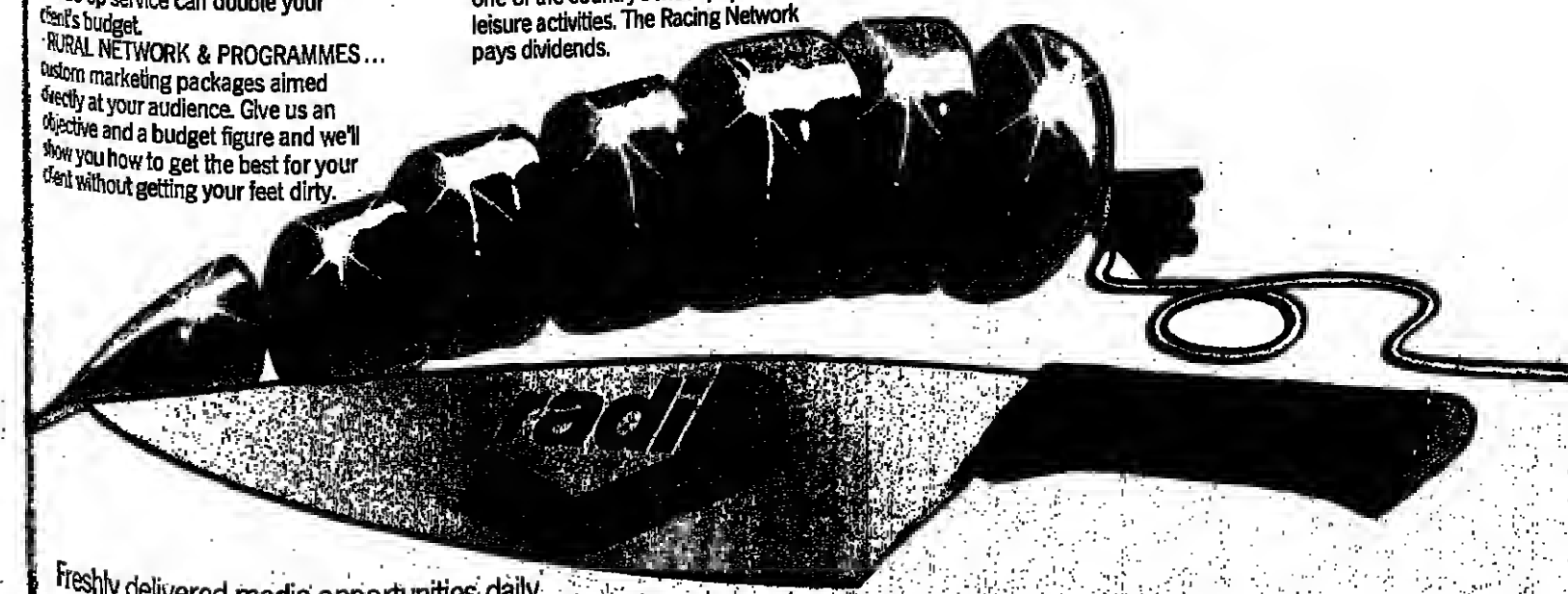
Immediate, imaginative radio pays off!

**CUSTOMISED NETWORK OPTIONS...** we've got the flexibility to zone specifically for your audience — choose your target and we'll hit it!

**RACING NETWORK...** over 400,000 New Zealanders invest in racing — it's one of the country's most popular leisure activities. The Racing Network pays dividends.

**PROMOTIONAL PLANNING & DESIGN...** give us your promotional problem — and we'll solve it. From concept through to final execution we can help get more out of an ad dollar. And should you need it we can provide a complete design and print production service for any promotion.

If you've got a message, have a word with us. Let us show you the golden media opportunities our 28 commercial stations can deliver. Because we've got your target by the ears and you only have to listen to hear why!



Freshly delivered media opportunities daily.



# Pilots collide on course to promotions

by Lindsey Dawson

AIR New Zealand's long-standing pilot seniority wrangle is still not settled.

Initial reports on the proposals of the overseas arbitrator, Professor David Feller, stated that international pilots "were slightly better" in the merged seniority list but there is still much unhappiness among the overseas flyers.

At a meeting with the Aircrew Industrial Tribunal on July 7, the overseas branch of the Airline Pilots' Association is expected to seek changes to some aspects of the proposed

award, which attempts to meld together the seniority positions and command prospects of the two pilot groups. "I don't think we can do much at this stage, but there are some things which we might seek to overturn," said the chairman of the overseas branch council, Arthur Dowey.

Pilot seniority has been a bitterly contested issue between domestic and international pilots since the merger between NAC and Air New Zealand in April 1978.

Ex-NAC pilots went on strike last year in an effort to force through their demands

for a "stovepipe" seniority list in which co-pilots would work their way up the Air New Zealand fleet from Friendships to 747s, then achieve command on Friendships and progress through the various aircraft types. The system was expected to cost the airline \$2.5 million dollars a year in training costs and inefficiency. The proposal was opposed by the company and international pilots, who would have been severely disadvantaged. NAC pilots wanted the seniority system to be based on length of service which would have meant that, of the first 180 pilots on the proposed list,

132 would have been former domestic pilots. Even Air New Zealand's most senior international people would have found themselves well down the list.

The issue dragged on amidst acrimony from both sides, with domestic people accusing the international flyers of selfishness, and the overseas branch regarding the ex-NAC fraternity as opportunists who were prepared to climb over the backs of old mates to gain advancement.

The issue was referred late last year to Feller, of Berkeley University, who is an expert in international aircrew industrial matters. His report to New Zealand's Aircrew Industrial Tribunal has just been published.

His proposals still have to be ratified, but most of it is likely to be accepted as both parties agreed to accept Feller's findings.

Feller's 50-page document is a complex report which pilots have been digesting in the last few days to find out how they will be affected. Reactions range from acceptance to outrage.

NBR was told that some ex-NAC pilots feel they should have got more. International crew documents are summed up by one first officer who said he was "hacked off" that any merger took place at all. But Professor Feller seems to have done the best he could with an impossible task.

Dovey said that senior international first officers were feeling "justifiably upset" that their prospects of early DC8 command had been ended. They would instead be offered commands on 737 aircraft. Feller's proposal states that, until 1988, the various pilot groups will have a number of protected command positions which can only be filled from within the ranks of their own groups. Eighty-four command pilots, and 57 B737 captains are reserved for the ex-NAC aviators.

These were the command numbers at the date of the Air New Zealand-NAC merger. Both fleets already have more captains in each group - and the new proposal states that new command positions must be filled by pilots of the other group until the excess capacities are balanced between pilots of domestic and international backgrounds.

That means that the next 13 long-haul captaincies must go to domestic pilots.

"Without this merger I could have expected DC8 command within a year" one overseas co-pilot told NBR. "I've got years of international experience. Now they'll offer me a job flying 'two-holers' to Wellington and Christchurch. Why go to all the expense of training me on 737s, and checking out a domestic pilot internationally? I suppose it's a case of the price the company has to pay for industrial peace. But I have to pay too - the way it looks now it will take me years to catch up financially."

Their job prospects are confused by the fact that the same group is poised to go into the first intake of 747 crews. For many that is a bigger lure than 737 command. There is nothing to stop co-pilots from qualifying on 747s, and a few months later opting for 737 command. It could be an expensive exercise for Air New Zealand.

Dovey, a DC10 first officer, said that overall the re-training costs involved in pilots switching roles will be minimal. "There's a great deal of retraining coming up anyway with the purchase of new aircraft."

Flight safety is not an issue in the training of domestic pilots for international flying, he said. "Many of the ex-NAC pilots are enormously experienced, with 10,000 or 15,000 hours of flying behind them. There are no problems at all - although some extra route training is necessary for familiarisation with different airports."

DIRECTOR of Flight Operations for Air New Zealand, Capt. Dave Eden, says that Feller's proposals are generally acceptable to the company, "although I don't say that we agree with them 100 per cent."

Meetings were taking place to sort out some of the complaints from both sectors. The proposals did not cover how pilots' careers would progress, but Eden expects that a joint award to be formulated soon will establish a type of bidding system so that crews could choose which aircraft they wanted to operate.

Compensation claims for pilots who would have to accept 737 command instead of DC8 were being discussed.

His view was backed by some other pilots NBR spoke to. "Airports anywhere are just another strip of concrete," said one lucidly. But not everyone was so sure.

Commented another: "It takes years to learn all about going into a place like Los Angeles or Hong Kong, in rough weather and heavy traffic. It's going to cost the company a lot of time and money and could incur a lot of tension on the flight deck."

Feller said that his proposed award comes as close as possible to the goal of not providing enhanced promotional opportunities and protection to one group at the expense of the other, while at the same time achieving the objective of a unified airline within a reasonable and predictable time.

But he pointed out: "To put the matter bluntly there is no way in which an integrated list can be created which does not advantage the domestic pilots in the long run."

He pointed out how different the Air New Zealand-NAC case is in comparison with other mergers, such as the marriage of Saturn-TIA and United-Capital.

These involved airlines flying much the same sort of services, using pilots with similar backgrounds. Air New Zealand and NAC, he said, "fished in different pools" for their pilots.

"The two airlines were hiring every different kind of people. The domestic airline

would not hire a pilot over 35 years of age. Air New Zealand would, and did. NAC had minimal prior experience requirements." Air New Zealand, on the other hand, recruited largely experienced pilots from other airlines and pilots who had command experience in jet aircraft from the armed forces.

Most of the pilots previously hired by NAC would not have met Air New Zealand's qualifications, he said. "This is illustrated by the fact that some 50 per cent originally hired by NAC have to forfeit their seniority after gaining sufficient flying experience, and to begin again at the bottom of the Air New Zealand seniority list."

That era is over, said some in the industry. All pilots joining the company now have to start at the bottom of the friendly fleet, no matter what their previous experience was. Air New Zealand followed no big airlines in adopting the

# Yen's movement shifts car-buying balance

by Rae Mazengarb

ANY bonus that buyers of Japanese cars might have enjoyed just a few months ago seems to have disappeared as the Japanese yen continues to weaken against the New Zealand dollar, and takes the price of cars steadily upward.

And for British model purchasers, the prices look like going even higher because of the hardening British currency.

Importers of Japanese cars have been at an advantage as importers of British makes.

As sterling has strengthened, models such as the Ford

and price the cars on the average price over a period, to allow for price differentials brought about by fluctuating exchange rates.

In April the New Zealand dollar was highly favourable against the yen, leading to the finding of car packs from Japan at a highly advantageous price.

If that trend had continued, consumers might have seen some large decreases in the price of Japanese cars, according to one distributor.

But the movement was not to continue and instead the exchange rates turned around again.

But consumers still benefit from the April exchange rates, a spokesman for one importing firm said. Despite the ravages of inflation elsewhere, prices of Japanese cars have remained stable over the last five to six months.

Locally-made car components such as tyres, however, has increased in price substantially over recent months - with dramatic rises in the retail price.

While these increases have been partially offset by the favourable exchange rates, the consumer will feel those increases from now on.

Wellington-based Williams and Adams spokesman Garth Williams said that as far as made-up cars were concerned,

the price of Japanese cars had taken a dip around April. But the most recent shipment landed had seen a hefty rise from the previous month.

One Japanese model that retailed for about \$14,000 a few months ago had dropped to about \$13,000 in April, but that was where the buyers' picnic ended.

The last shipment saw a price-rise of around \$350, Williams said.

But while the prices of

Japanese cars are steadily working their way upward again, more drastic price fluctuations are occurring elsewhere.

A British Daimler - priced around \$30,000 a year ago - has a landed price today of between \$48,000 and \$49,000.

Aside from the exchange rates, sales tax, increased freight rates and so on, all had a multiple effect on price, Williams said.

But this last shipment had definitely brought some large increases.

If inflation continued this way, the investor could do well to put his money into up-market cars, was the suggestion of one dealer. "They must be the desirable kind".

But industry sources predict increasing headaches for distributors finding finance for new vehicle purchase.

## Gentlemen (And Of Course Ladies)

## On your next Auckland to Christchurch flight you will be propositioned

### The proposition is this.

If you fly return on a full or travelcard airfare from Auckland or Rotorua to Christchurch or vice versa between May 27 and July 31 you automatically qualify for an incredible 50% discount on a GitaWay Cape Reinga Northland Holiday or \$50 off most other GitaWay New Zealand Holidays.

Or fly one way and qualify for a 25% discount on a Cape Reinga Northland Holiday or \$25 off most other GitaWay New Zealand Holidays.

This means that a 3 day Cape Reinga Northland Holiday, including airfare, superior accommodation and a full day trip on the Ninety Mile Beach can now be yours for just \$44.50 from Auckland or \$116.00 from Rotorua. Or 3 days at Mt. Cook staying at the prestigious Hermitage, now just \$184 from Auckland or \$195 from Rotorua.

Appeal to your business sense? Read on.

You will receive 'the proposition' in the form of a special wallet which will be handed to you at the airport check-in counter prior to your inter-island flight.

This wallet becomes your official discount voucher, so keep hold of it.

It's completely transferable. So, if you are unable to take advantage of this unique offer, then make a gift of it to your family, a friend, your secretary, a colleague whoever you like.

There's no limit to the number of wallets you can collect, and any number of people can travel together in one group whilst taking advantage of this offer.

Your Proposition Holiday can be taken up to December 12th, so have your holiday at leisure. There are 25 GitaWay New Zealand Holidays that you can make big savings on including:

Bay of Islands, 8 Days, staying at the THC Waitangi and including Bay of Islands cruise on Mount Cook Line Tiger Lily. Normally \$242 from Auckland, with vouchers \$192. Normally \$259 from Rotorua, with vouchers \$209.

Christchurch, 8 Days, staying at the Travelodge Hotel including city tour and visit to Orana Wildlife Park. Normally \$241 from Auckland, with vouchers \$191. Normally \$259 from Rotorua, with vouchers \$209.

Rotorua, 8 Days, staying at the Travelodge, with tours of Whakarewarewa Reserve and Agrodome Agricultural Show. Normally \$192 from Auckland, with vouchers \$142.

Nelson, Picton and Wellington, 8 Days, including launch trip to Queen Charlotte Sound, day tour from Nelson to Pupu Springs and Marble Mountain and Nelson/Blenheim Coach Trip. Normally \$304 from Auckland, with vouchers \$254. Normally \$289 from Rotorua, with vouchers \$239.

All prices include return airfare of two adults with bookings are based on share twin rooms. Single room supplements are available as specified in the fine print and are their currency valid for travel up to October 14, 1980. From October 15, new prices apply but the special offer is still valid.

**GitaWay**  
New Zealand  
HOLIDAYS  
In Auckland only for New Zealand  
Mount Cook Line, THC, Travelodge



MC 231/84

## Are Advertisements for SENIOR EXECUTIVES always effective?

Experience suggests that the best executives do not always see or respond to senior appointment advertisements. This dictates that a more precise, positive, controlled technique is essential to locate

the most competent and successful executives.

The proven technique is 'Executive Search'. Search does not rely solely on advertising but uses highly professional methods for locating executives with superior management skills and attributes.

To discuss how THE McDOUGALL ASSOCIATES SEARCH PROGRAMME can assist you fill senior positions most effectively, please telephone Even McDougall on Christchurch (03) 67-026 or write to him at P. O. Box 2398. Naturally confidences are respected.

**McDougall Associates™**

management consultants

6th Floor BNZ House, Cathedral Square, Phone 67-026, P.O. Box 2398, Christchurch.



## How much money will you throw away today?

Accurate electronic digital weighing machines make weighing more efficient and your business more profitable. Your investment could pay for itself in a matter of weeks. Free estimates from your nearest Toledo branch or agent.

**TOLEDO  
SCALE**

INTERNATIONAL RELIABLE

Branches at Auckland, Hamilton, Palmerston North, Wellington, Christchurch.

## THE AWARD-WINNING U-BIX V PLAIN PAPER COPIER IS TOTALLY RELIABLE.



OTCU-Bix Sales enquiries: Auckland Tel. 766-119, P.O. Box 75. • OTCU-Bix Sales enquiries: Wellington Tel. 663-784, P.O. Box 30649. • OTCU-Bix sales enquiries: Christchurch Tel. 65-733, P.O. Box 8346.

2422A

## THE AWARD-WINNING U-BIX V PLAIN PAPER COPIER IS TOTALLY RELIABLE.



OTCU-Bix Sales enquiries: Auckland Tel. 766-119, P.O. Box 75. • OTCU-Bix Sales enquiries: Wellington Tel. 663-784, P.O. Box 30649. • OTCU-Bix sales enquiries: Christchurch Tel. 65-733, P.O. Box 8346.

2422B



# IF YOU'RE COMING TO AUSTRALIA, BE SURE TO LOOK US UP.

Wherever your business is, there's a Flag Inn close by.

Two or three hours daily travelling in heavy traffic can be tiring and extremely time wasting.

But, with so many businesses situated in the outer suburbs of the main centres of Australia, many incur this problem by booking into city hotels.

There's no need to.

There are over three hundred Flag Inns situated throughout Australia.

So whether your business takes you to the outer suburbs of the main centres or the most out of the way outback towns, there will be a quality comfortable Flag Inn nearby.

Just look us up in the free Flag Directory.

This comprehensive accommodation guide lists every Flag Inn by state and town.

Every Inn is completely detailed including rates, facilities, a simple to follow location map and even a four colour photograph of the Inn.

You know exactly what you're booking.

No sudden rise in rates.

One very important point, the rates quoted in the directory are fixed.

The rates are held for the period for which the directory applies.

A new directory is issued every four months.

So the rates are accurate and up to date with no nasty surprises for you.

High quality. Reasonable cost.

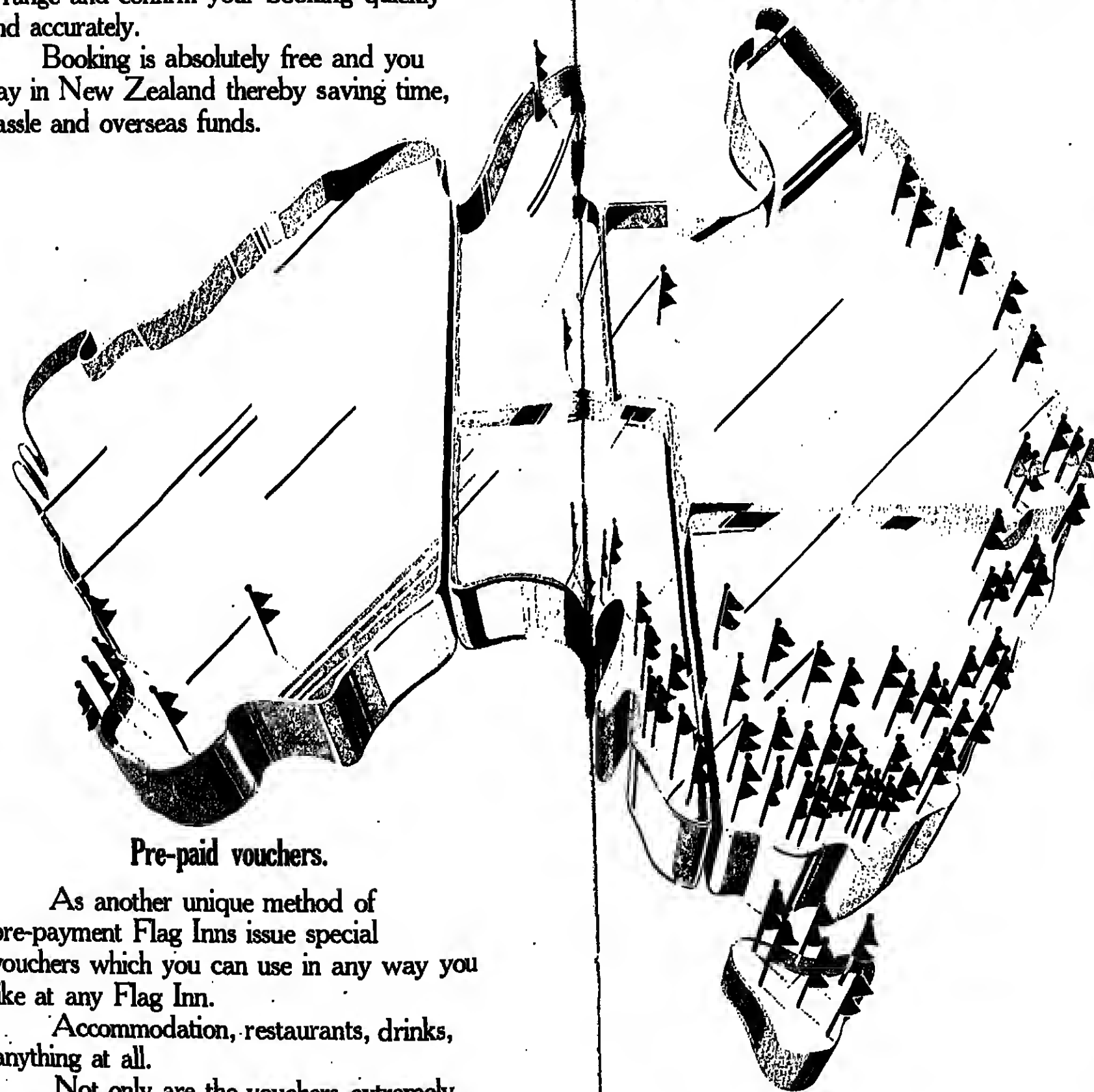
You will find that Flag Inns offer a very high standard of accommodation and facilities at extremely reasonable rates.

Certainly well below that of most city hotels.

Free computerised booking service.

Our computerised booking service can arrange and confirm your booking quickly and accurately.

Booking is absolutely free and you pay in New Zealand thereby saving time, hassle and overseas funds.



Pre-paid vouchers.

As another unique method of pre-payment Flag Inns issue special vouchers which you can use in any way you like at any Flag Inn.

Accommodation, restaurants, drinks, anything at all.

Not only are the vouchers extremely convenient but again they allow you to pay in New Zealand for what you use in Australia.

Free eighth night.

Every couple (twin or double) who stay one night at eight different Flag Inns in

eight different cities or towns will receive:

Free standard suite accommodation (room only, breakfast not included) for two

at the eighth inn for one night.

This offer applies when the eight qualifying nights are in Australia and/or New Zealand, and are taken within a six month period.

For further information.

Consult your travel agent or Flag Inns direct. Or send for our FREE Flag Directory.

We're looking forward to looking after you.



Please send me a FREE copy of the 1980 Flag Directory.

NAME .....

ADDRESS .....

See your travel agent or phone  
Flag Inns direct.

Auckland 799-444 Telex NZ2602  
Wellington 726-964 Telex NZ3261  
Christchurch 63-371 Telex NZ3261  
or any Flag Inn throughout New Zealand.



Setting the standards in care, comfort  
and courtesy.

MDA1263



# The Brandt Commission: the coming of age of North-South interdependence

by Christopher Laidlaw

IT has been claimed that the people of the world's developed countries have heard the cry of woe from their development lobbies so loudly and often that they can be forgiven a certain immunity to the horrors of poverty in more obscure parts of the globe.

As violence on TV drills the average consciousness to violence outside on the street, so the constant and often shrill denunciation of poverty and underdevelopment within a large chunk of the world community has given birth to the antithesis of indifference in the actions of the developed world.

It seems reasonable to suppose, therefore, that a highly detailed 300-page report with the seemingly utopian title *North-South: A programme*

for survival would scarcely draw anything other than a predictable response in the industrialised "north": reviewed seriously and sympathetically, recommended to all in the development business as essential reading, quietly shelved and gradually forgotten.

In this case, however, that fate seems far from likely. The Brandt Commission report — the report of the Independent Commission on International Development Issues chaired by Willy Brandt and peopled by an extraordinary mixture of personalities drawn from across the political and economic spectrum of both the North and the South — is no ordinary call to conscience.

For a number of compelling reasons, its message simply cannot be quietly shelved. It is not a cry for charity but a reasoned call for action by all countries.

THE report of the Independent Commission on International Development Issues, named after its chairman Willy Brandt, supports the alarmist vision of a world literally staring down the barrel of a gun, with an overwhelming body of evidence.

In its 300-page report titled *North-South: A Programme for Survival*, the accumulation of evidence that arises from North-South disparities are seen as a potential trigger for global holocaust.

The Commission takes interdependence as its starting point to look at the present inadequacies of institutions and processes set up to manage the world economy.

Chris Laidlaw, special assistant to the Commonwealth Secretary-General, looks at the credibility, machinations and findings of the Commission.

It is, in effect, precisely what Rob Muldoon called for in his January state of the Nation speech — a concerted international effort for co-operation to prevent a world wide depression.

What Muldoon forgot to mention, is that for much of the world, depression is a permanent fact of life, an inescapable condition.

The political pedigree of the participants is only one reason why the Brandt report will not be ignored. They reached a

unanimous view of the world's economic prospects and the catastrophe which awaits both the rich and the poor if they fail to act together in even more significant.

The report is a chilling statement of global economic reality and of the world community itself.

The Commission's exposure of the inadequacies of institutions and processes set up to manage the world economy (the legacies of Bretton Woods) and the need to do something about them is spelled out in terms which dramatically transcend the economic realm.

It is deliberately couched, not in the jargon of mumbo-jumbo which rings bells only with international civil servants, but in language which anybody can readily understand.

There are no excuses for the failures, and no blind eyes turned to the underlying political expediencies that have brought the world to the desperate situation it finds itself in at the dawn of the 1980s.

For the first time the alarmist cry is supported by an overwhelming body of evidence to justify that alarm.

The commission is saying that in an international environment in which, more than ever before, we are staring, literally, down the barrel of a gun, the accumulative tensions arising from North-South disparities are themselves a potential trigger of global holocaust.

Development inequities are as great a danger to world peace as Eastern or Western military adventurism. And they are certainly not subject to the same kinds of rational checks and balances.

As Willy Brandt puts it: "History has taught us that wars produce hunger, but we are less aware that mass

poverty can lead to wars and chaos. While hunger and peace cannot prevail, the who want to ban war must ban mass poverty. Mass poverty makes no difference whether a human being is killed in war or because of indifference of others."

The conduct of North-South relations is seen as a new clarity for what reality should be: a process of active pursuit of peace as a genuinely global goal.

The Brandt Commission, drawing attention to the previously subliminal relationship, takes as one of its basic assumptions the need for a more integrated part in the economy. It examines the imperative against the wider canvas of the arms race and the more clandestine struggle for power and influence between East and West in which so much of the Third World unwillingly participates.

In this aspect alone the report's perceptions are penetrating.

Some say that there have been launched at a singular, unsuspecting time, given the rather sudden cooling of the tone, the allegedly positive of the OECD countries in development assistance. It is unconvincing spread of beguilingly-neighbourly protectionism in both North and South and the fact that the North-South dialogue is currently going nowhere — deadlocked in the backwaters of sterile confrontation.

The renewal of the threat to world peace and the seeming intractability of world economic problems serve only to underline the importance of the Brandt Commission's analysis and to lend weight to the overriding argument that the North needs the South as

increasingly perceived as a matter of unequivocal self-interest.

That is not to say that the moral imperative has been cast aside. It has simply been recognised that the morality factor has not struck much of a chord in the past.

Self-interest has a rather better chance.

The Brandt Commission marshals a huge body of evidence to prove the point that development is not a zero-sum game — it is almost a case of overkill. After all, the victim in question has taken quite a long time to die.

The report betrays no illusions of the scale of the North-South gap, or the tasks that with each year of inaction make the bridging of that gap more difficult.

The commissioners have, with not unexpected prudence, recognised that the time scale of the more intractable, of these problems is a lengthy one.

The measures it proposes cover a span of 20 years — to the end of the century. At the same time it acknowledges that some of the problems are so acute as to defy further dithering.

The commission recommends that a crash five-year action programme be instituted immediately, focussing on four key objectives: a massive transfer of resources to developing countries; a truly international energy strategy; a global food programme; and a series of international economic and monetary reforms.

If the world community continues to procrastinate then the outlook is one of almost total despair for many countries and many millions of people.

In the short-run the lot of the world's 800 million people living at the margins of existence in the South seem intractable: life expectancy remains more than 20 years shorter than that in the North. One out of four children in many countries will die before the age of five and the prospects of those who live are minimal.

Developing countries' debts must inevitably swell and the world's outdated financial system will be unable to recycle the surplus funds in sufficient quantities to begin to deal with the problem.

In the longer run, the world's population is likely to rise from the present level of 4.3 billion to more than 6 billion by the turn of the century and to between 8 billion and 15 billion in another quarter century.

On current trends, by 1985 the Third World will need to import 145 million tonnes of food annually, nearly twice the present level. It is doubtful whether this can be provided let alone paid for, given the ever present threat of a renewed inflationary surge in world food prices.

Such problems as the annual rate of deforestation in the Third World, equivalent to half the area of Britain, the constant depletion of the oceans' riches and the world's non-renewable energy resources led Willy Brandt to ponder in his introduction: "Are we to leave our successors a scorched planet of advancing deserts, impoverished landscapes and ailing environments?"

The commission concludes: "The world is a fragile and interlocking system, whether for its people, its ecology or its resources."



Willy Brandt... poverty leads to war



Dr. Waldheim... constructive summary

All of this, of course, has a familiar ring. It is the familiar plea of idealists, the conservation freaks, the back-to-nature enthusiasts. From them it can be cynically ignored.

But can it be ignored when it

comes from hardheaded politicians and pragmatists; from people whose business is realpolitik but whose vision is wide enough not to want the future that realpolitik promises.

In its analysis of the international status quo the commission focusses on the intricate character of interdependence in a variety of key aspects of the world economy.

Trade: Creeping protectionism, often in the guise of "orderly marketing arrangements" is exposed as a major psychological barrier to enhance world trade.

Balanced trade expansion is a less inflationary way of raising the level of economic activity than stimulation by public expenditure and tariff or other barriers. However attractive in a narrow partisan sense they tend to have an accumulative effect which is very difficult to roll back.

There is the very definite question of a debt on the part of the North. During the post-1973 recession increased exports to the South in fact saved around 3 million jobs in the OECD countries. The loss

of jobs in the North deriving from imports from the South has been minute in relation to total unemployment.

Surprises like this rarely become the subject of public debate in the North, but are compelling evidence in favour of a new deal on trade.

Commodities: Sixty per cent of world exports of major agricultural and mineral commodities (other than oil) originate from the Third World. UNCTAD has estimated that, for 10 commodities, local processing could increase developing countries' exports per year — more than one and half times what those commodities now earn.

But existing tariff and freight systems are structured in such a way as to discriminate against the exporting of semi-processed commodities.

The North retains the

Continued on Page 34

## TEACHER'S



Smooth, warm, welcoming. Everything you'd expect from a great Scotch whisky that contains an exceptionally high proportion of expensive Malt Whiskies.

**The cream of Scotch whiskies**

Bob Jones in April 1980:

**"The current economic conditions for property investment... have never been better... in two decades"**

A limited, fifth and final, edition of the best-selling *Jones on Property* is now available. Bob Jones' hard-hitting, funny, helpful guide to property investment/development in New Zealand, out of print for nearly two years, has been re-issued for those with an entrepreneurial flair who missed the book before. The text has been updated and in a new prologue Jones explains why we're on the verge of a new property boom. And how a penniless newcomer to the property business can become a millionaire before 1985.

**JONES ON PROPERTY**... at good bookshops now... or simply fill in the Fourth Estate Subscription Service coupon elsewhere in this issue.



## THE CAPITAL LETTER

The Capital Letter, published by the Fourth Estate Group, is the professional, business service communities with information about Government, legal judgments and matters.

Confidential, 48-weeks-of-subscription-only. It is an essential addition and interpretation of information.

The Capital Letter is edited by a highly qualified editor — Jack Hodder, B.A., LL.M. (VLLV).

A complimentary copy on your letterhead to Box 9344, Wellington.

To subscribe fill in and return the Fourth Estate Subscription service coupon where in this issue.

The new short cut to legislative, administrative and judicial information.

**advantage comes in colours**

**The Hylin Entomat, famous for stopping dirt coming inside, now has a partner. Hylin introduces the Decomat — to protect valuable floorings in high traffic areas, and brighten your premises. As an extra touch, new Hylin Decomats are available in a choice of three colours. Colours that complement decor. No big deal really, but the sort of touch that shows Hylin set the standards — others follow.**

**Hylin covers everything**

Renting from Hylin means no drain on your working capital. Your rental fee covers everything. From up-keep to delivery. And Hylin's know-how keeps your costs to a minimum.

**Hylin is close by**

Hylin are throughout New Zealand. Wherever Hylin are, their service is the same. Hylin standards never differ.

**The Hylin Booklet is for you**

The Hylin Textile Rental Services Booklet sets out everything you need to know. Services, contracts, a list of Hylin's offices — it's all there.

**hylin LAUNDRY SERVICES**

Hylin set the standards. Others follow.

I am interested in service. Please send me the Hylin Textile Rental Services booklet immediately.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Post to: Hylin Laundry Services, PO Box 4536 Te Aro, Wellington 1454



Continued from Page 3

means to capitalise on the added value of much of the commodity exports from the South even its own processing facilities are less competitive. The developing countries' share of world manufacturing rose from 7 per cent in the 1960s to 9 per cent in 1977.

In 1975 the United Nations Industrial Development Organisation adopted the target of 25 per cent for that share by AD 2000. Although progress so far has been minimal the commission remains convinced that so much potential exists in the South, the target is not necessarily unachievable.

But, it points out that eight countries alone — the so-called newly industrialised countries — accounted for 78 per cent of the additional Third World manufacturing exports to the

OECD countries between 1970 and 1976, leaving the bulk of the Third World far behind and desperately short of investment.

Trans nationals now control between one-quarter and one-third of all world production. Intra-company trading is said to account for over one-third of all world trade, a factor which provides almost limitless scope for restrictive business practices.

The total sales of the TNC's foreign affiliates in 1976 were estimated at about \$830 billion — around the same figure as the total GNP of all non-oil exporting developing countries.

Much has been made of the bullying hogey of the TNCs in recent years. Some of the criticism has been justified as economic power has been



Lester Pearson... forerunner of Brandt



Shridath Ramphal... key member of commission

used to heget political influence far beyond the bounds of propriety.

The commission's approach to this issue perhaps marks the turning of the tide which now flows against the TNCs.

It calls for a replacement of hostile rhetoric with real bargaining, within the terms of internationally binding guidelines.

It is becoming increasingly appreciated in the Third World that the TNCs have much to offer and, after some nationalisation shocks in some

countries, the companies now seem ready to play a more politically acceptable game with the governments of the South.

The latter, in their turn, may be expected to be more level-headed in their approach. They are certainly encouraged to be so by Brandt.

Energy: The report starkly points out that one American uses as much commercial energy as three Swiss, nine Mexicans, 53 Indians and 1072 Nepalese.

It emphasises that the people of the industrial countries now

have no choice but to alter their lifestyles.

In confronting the realities of the international oil market, the commission specifies three clear reasons why so many oil producers are under domestic pressure to restrain the rate of production. First, oil is a rapidly depleting resource; second, the faster the off-take from a well the less it may, for technical reasons, ultimately yield; third, that the assets oil producers can purchase seem to be of much less long-term value than oil in the ground.

The commission, perhaps because of its membership, is aware of the reasons why separate international negotiations on energy have never got off the ground and it carefully calls for a global energy strategy, based on predictable pricing and supply (for OECD) and protection of the purchasing power of the producers (for OPEC) as part of a wider package of economic reforms (for the rest of the Third World).

It recognises that the USSR (the world's largest oil producer) and China must be included in future arrangements, and warns in a very timely way, that intervention with force to ensure the security of future oil supplies would be foolhardy in the extreme.

The threat now posed by the Gulf of Hormuz may be an important test of the wisdom of this advice.

Disarmament and development: The commission is central to the whole concept of security. Its definitions of security are couched only in military terms is highlighted: "Military arms do not make man safer, only poorer."

The report points out the annual world military expenditure totals \$430 billion, compared with annual ODA of only \$20 billion. A graphic illustration is used to graph effect.

For instance, the cost of a tank could provide classrooms for 30,000 children; that of a jet fighter could set up 40,000 village plum trees.

One half of one per cent of a single year's military expenditure would enable the low-income countries to approach self-sufficiency in food by 1990.

Such statistics speak for themselves and must not be allowed to disappear behind the courteous curtain of political obfuscation.

Monetary reform: The commission reminds us that although the once efficient exchange rate system has long since crumbled into disorder, the Bretton Woods institutions — the World Bank and the International Monetary Fund — remain admirably archaic, doing, or rather misdoing, a job which is quite beyond them.

Those who control them — the governments of the North — are urged to give a greater say to the developing countries, both in executive control and in staffing, and, ultimately, in their restructuring.

The commission lends strong backing to an expansion of the IMF's special drawing rights, urging a more equitable distribution. It also backs the proposed substitution account.

But it is strongly critical of the conditionality of IMF loans to countries in distress, referring cryptically to the "IMF riots" that have sometimes resulted from the dictatorial attitude of the fund in its lending policy.

The IMF is gently encouraged to take a longer term and rather less doctrinaire view of the economic prospects and objectives of debtor countries.

The major problem, of course, is the question of how to regulate the latest and perhaps not the last surge of petrodollars.

Brandt suggests that international institutions should play a greater part in the leading process. They should act in some cases as a medium for lending from the banks to deficit countries.

The report picks out some vital needs for capital which are not being met. Chief among these is programme financing, for medium-term development plans.

At the moment the IMF deals mainly with short-term adjustments and the World Bank with longer term aid tied to specific projects. Brandt calls for a wider World Development Fund to fill the gaps.

For sound tactical reasons, the commission stops short, in most instances, of prescribing the finer details of its proposal. To have done that would not only have prejudiced the possibility of unanimity within the commission but also have narrowed the range of options for a world community which must, perforce, negotiate the terms of such measures at its own pace.

It does not depart from specificity where this is needed, however. For instance, it calls for more than a doubling of the current £20 billion annual Official Development Assistance (ODA) total.

It also recommends that the industrialised countries seriously undertake to meet the 0.7 per cent of GNP target for ODA by 1985 and a target of 1 per cent by the end of the century.

Its proposal for a World Development Fund, (independent of the IMF and World Bank), to administer the radically increased movement of capital will be met with resistance, most notably by those already in the business themselves. The need for greater scope in lending is undeniable.

The commission also believed that more of the required funds should be raised from "automatic" resources. It examines a number of possibilities in this regard including levies related to international trade, military expenditure or arms exports and revenues from global "commons", specially seabed minerals.

The very thought of such international taxation may be laughable in many capitals. But, as the commission reminds the forgetful, a century ago the same was thought of prospects for national income tax.

Can such a concept, which is after all central to the thesis of interdependence, be denied for much longer?

Few of the many proposals in the report are new — their ancestry is often old and of legacy thousands of years of debate at international conferences and the mountainous volume of resolutions which have been debated, disputed, passed and promptly ignored.

It is to this very interpassing process that the commission must seriously address itself. It is an impasse born of fatigue, over-exposure to the harsh sunlight of foreign industry cynicism and, for many, sheer despair at the inability of the world to negotiate anything sensibly. But this procedural blockage must somehow be removed if the necessary reforms are to have any chance of implementation.

To one of the key members of the commission, Shridath S Ramphal, the Commonwealth Secretary-General and a man accustomed in the Commonwealth context and beyond to breaking political logjams, this aspect is the most vital of all the challenges to the credibility of an international new deal.

Speaking last year to the Royal Institute of International Affairs in London, he gave a hint of the commission's feeling when he

said "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

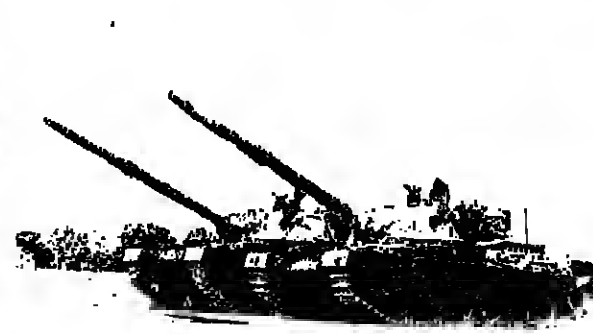
The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General



Disarmament... the cost of one tank could provide classrooms for 30,000 children

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.

There is, as a result of the commission's travels and contacts, already an encouraging nucleus of goodwill at the highest level which transcends the artificial divides of wealth and power.

If that can be transformed into constructive summity in all the world's favour then the 1980's may yet see the turning of the developmental tide.

Interdependence may at last have come of age.

Christopher Lairlaw is special assistant to Shridath Ramphal, Commonwealth Secretary-General

snid "It sometimes seems as if success must come not because of but despite the dialogue itself. Who among us over the years has not felt the need for new techniques of conference management and in particular for more political interaction."

"We often complain that progress at the international level is being restrained by a lack of political will. I sometimes wonder whether the fault is not more one of ways and means — the absence of machinery conducive to true dialogue and the furtherance of a will to act together..."

"We must evolve a new technique — consciously developed to help members of the international community to be more in tune with each other and with the trust resources of human interdependence."

The blend of membership will be vital, encompassing as it must, the richest and poorest members of OPEC, the newly industrialising countries, the high and low "absorbers" of OPEC, and representatives of the least developed member states of the Third World and, of course, the centrally planned countries.